

# Regulatory Update

Middle East, December 2023

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## 1. DIFC AND DFSA LATEST DEVELOPMENTS

### 1.1 DIFC Launches Sustainable Finance Catalyst

On 3 December, the Dubai International Financial Centre ('DIFC') launched the Sustainable Finance Catalyst. The Catalyst is enabled by Artificial intelligence ('AI') and aims to grow the sustainable finance raised by Dubai to US\$100Bn by 2030. DIFC Innovation One will host the Sustainable Finance Catalyst and will act as an intelligence unit for sustainable finance by raising awareness. This initiative will accelerate the Dubai market by increasing capabilities and innovation, generating cost-effective ways for companies to access sustainability knowledge, data, and financing. The initiative supports the numerous Environmental, Social and Governance ('ESG') programmes in the DIFC.

You can read the DIFC article [here](#).

### 1.2 DIFC Holds Investors Day

On 19 December, the DIFC Innovation Hub concluded its Investor Day. The event consisted of various keynote speakers and panel discussions and was attended by 500 people, including key figures from the investor community. In addition, the day served as a graduation for 19 startups from the FinTech Accelerator programme and ten participants of the AccelerateHer programme.

You can read the DIFC article [here](#).

### 1.3 DFSA Waives Fees for ESG Listings

On 4 December, the Dubai Financial Services Authority ('DFSA') announced its new ESG initiative to waive all regulatory fees for issuers of sustainability-related debt securities in the DIFC on NASDAQ for 2024. The decision was announced at Conference of the Parties ('COP28') as part of the DFSA and DIFC's commitment to sustainable capital markets. The waiver will apply to all ESG-related bonds and Sukuk labelled as green, social, sustainable, sustainability-linked, climate, climate adaption, climate transition, or similar.

You can read the DFSA article [here](#).

### 1.4 DFSA issues Several Dear SEO Letters

The DFSA issued numerous 'Dear SEO' letters notifying authorised firms of regulatory matters.

On 15 December, the DFSA issued 'Dear SEO: Thematic review findings - Money Services Firms Safeguarding of Client Money'. The findings reflected the DFSA thematic review issued in April 2023 assessing compliance with the DFSA Client Money Rules and the adequacy of the firms' systems and controls. The thematic review also introduced a new requirement for authorised firms who provide money services to complete accurate reconciliation of external client accounts daily as per COB A5.11.1(5).

A summary of the findings is as follows:

- regarding client accounts:
  - o most firms held master lists of their client accounts held with third-party agents; however, certain firms failed to maintain a complete list of client accounts, including accounts opened by the firm itself, not through a third-party agent
  - o some firm's master lists were found to omit core information contrary to Code Of Business rules ('COB') A5.4.2

- regarding the appointment of a third party:
  - o most firms conducted a suitability assessment before appointing a third-party agent
  - o some firms failed to conduct a suitability assessment before a third-party holding client money
  - o some firms failed to obtain a written acknowledgement from a third-party agent that protections required by COB A5.7.2 were applied
- regarding payment of client money into client accounts:
  - o most firms had adequate systems and controls to evidence a separation of client money
  - o certain firms failed to properly safeguard Client Money and demonstrate compliance with DFSA Client Money Rules
- regarding client disclosure:
  - o some firms failed to provide adequate disclosures under COB A.5.9, primarily where a third party held the client's money
- regarding client reporting:
  - o some firms failed to provide statements to clients at the agreed/prescribed periods
- regarding reconciliation:
  - o all firms reconciled their client money balances under COB A.5.11.1 which mandates reconciliation every 25 days; some firms reconciled their accounts more frequently
- regarding auditor's reports:
  - o all firms submitted the required client money auditors report on an annual basis; however, some firms submitted outside the required timeframe
- regarding client money distribution rules:
  - o most firms implemented policies and procedures for outlining the distribution of client money in the case of a distribution event
  - o some firms failed to incorporate the requirement of COB A5.13 regarding priorities for distribution
- regarding breaches:
  - o most firms maintained an accurate breach register against client money rules breaches
  - o some firms omitted the date of the relevant breach
  - o some firms failed to evidence appropriate oversight and tracking of breaches
  - o the DFSA highlighted that Money Services firms are required to notify the DFSA of any breach of Client Money Rules within one day
- regarding record management:
  - o most firms documented and adhered to the six-year retention period
  - o some firms failed to include the six-year retention period in policies and procedures
- regarding client money policies and procedures in general:
  - o some firms failed to reference the DFSA rules. For instance, certain policies and procedures failed to articulate that client money belonging to one client cannot be used to satisfy the obligations owed to another client.
  - o some client's policies failed to refer to the specific business model and activity of the firm and were generic, 'off the shelf', documents.

Firms are reminded to:

- maintain an accurate and current master list of client accounts
- conduct initial and ongoing assessments of third parties concerning the activities conducted for the firm
- document within comprehensive policies and procedures circumstances where the firm money can be deposited into client accounts and the controls in place to separate client money from firm money
- provide suitable disclosures to clients, including the basis, terms of governance and protections available
- consider improving policies and procedures to align with COB A5.11.1(5), requiring firms which provide money services to complete accurate reconciliations of clients' accounts daily
- incorporate clear client money distribution rules into policy and procedures in the case of a distribution event without deviation from COB A5.13
- notify the DFSA of any breach of client money rules within one day of occurrence.

On 22 December, the DFSA issued 'Dear SEO Letter: Change of Reporting Requirements - Collective Investment Rules ('CIR') Notification of the Marketing and Selling of Funds'. Firms who are involved in the marketing and selling of foreign and/or domestic funds will no longer be required to submit the 'CIR Notification of the Marketing and Selling of Funds' report to the DFSA in January each year; instead, firms will notify the DFSA using the annual report using the tab 'Funds Data'.

You can read the 15 December letter [here](#) and the 22 December letter [here](#).

## 1.5 DFSA Issues Dear MLRO Letter

On 18 December, the DFSA issued the 'Dear MLRO: Compliance with Sanctions and Related Operational Risks' letter. The letter reminded firms of their obligations to comply with the United Nations Security ('UN') Council's sanctions lists, the UAE sanctions lists and other relevant lists.

Authorised firms are reminded:

- to ensure they have appropriate systems and controls relevant to the client base, financial services, geographical exposures and distribution methods
- that they must conduct appropriate due diligence; take independent advice before conducting business with persons from jurisdictions that are subject to international sanctions
- it is recommended that firms have an Operation Risk Policy which enables them to assess and document the operational risks, including those concerning exposures to sanctioned list entities, individuals or countries.

You can read the Dear MLRO letter [here](#).

## 1.6 DFSA Joins HKMA to Accelerate Sustainable Finance

On 19 December, the DFSA and the Hong Kong Monetary Authority ('HKMA') announced a partnership supporting policy and regulatory development to enable climate finance in the Middle East and Asia. The partnership will facilitate collaborations contributing to the net-zero transition in support of the 2024 Joint Climate Finance Conference and line with the COP28 ambitions.

You can read the DFSA article [here](#).

## 1.7 DFSA Consults on Rulebook

On 20 December, the DFSA issued 'Consultation Paper No.155 - Miscellaneous'.

The paper seeks comment on multiple rulebooks, including:

- the Anti Money Laundering ('AML') rulebook
  - o updating the enhanced due diligence sign off requirements for ongoing relationships
  - o removing the requirement for a Money Laundering Reporting Officer ('MLRO') of a representative office to be a resident in the UAE
  - o removing the requirements for a Principle Representative of a Representative Office to also be the MLRO
  - o explicitly requiring the Annual AML return to be submitted by the DFSA e-portal.
- Marketing rulebook ('MKT')
  - o aligning annual financial reporting to the European Union ('EU') and United Kingdom ('UK') standards.
- Recognition rulebook ('REC')
  - o removing the term 'recognised person' to replace with 'recognised member'
  - o to update notification requirements.
- General rulebook ('GEN')
  - o clarifying the exclusion of 'arranging and advising' on Money Services where the activity relates to a branch making arrangements for its head office
  - o updating the definition of financial promotions which currently defines financial promotions as an activity conducted regularly and not for a prolonged period of time to. The new update extended the interpretation of 'prolonged period' from 3 days to 5 days.
- Collective Investment rulebook ('CIR')
  - o various corrections in the referenced rules.
- Conduct of Business ('COB')
  - o various corrections.
- Glossary rulebook ('GLO')
  - o updating the definition of 'Client Investments'.

In addition, the DFSA proposes an update to the Regulatory Law to reference the Collective Investment Law from 2006 to 2010.

Comments are welcome by 18 January. You can read the consultation paper [here](#) and comment [here](#).

## 1.8 DFSA Publishes Amendments to AML Rulebook

On 28 December, the DFSA issued amendments to the AML rulebook following comments submitted in response to 'Consultation Paper no. 151: Proposed Changes to the DFSA's AML Rulebook'.

A summary of key AML rulebook changes is as follows:

- excluded dealers in precious metals or precious stones as Designated Non-Financial Business or Profession ('DNFBP') where the value of a single or several cash transactions that appear to be connected has a value of under US\$15,000.
- updated the definition of 'senior management'

- enhanced the relevant person obligations to include an obligation to ensure that its policy, procedure, system and controls are appropriately tailored to the nature, scale and complexity of its activity
- removed the Customer Due Diligence ('CDD') requirement to obtain and verify an individual's alias
- updated the Enhanced Due Diligence ('EDD') sign-off process to require senior management to sign off regardless of the presence of a committee
- included the requirement to register with the Executive Office for Control and Non-Proliferation ('EOCN') to report on sanctions changes
- removed the requirement to report dealings with sanction list entities, individuals and countries to the DFSA and updated the phasing to comply with Article 21 of Cabinet Decision No.74 of 2020
- updated the authorities for sanctions lists to include the National Anti-Money Laundering and Combating Financing of Terrorism and Financing of Illegal Organizations Committee ('NAMLCFTC')
- updated the qualifies of an MLRO to include a 'fit and proper' requirement as well as an understanding of AML legislation
- updated DNFBP's to submit registration and notifications via the DFSA's e-portal
- updated various guidance notes supporting the above updates.

You can read the DFSA article [here](#) and the consolidated amendments [here](#).

### Further information

If you have any questions or concerns regarding these DIFC and DFSA developments and requirements, please contact [Nigel Pasea](#).

## 2. ADGM AND FSRA LATEST DEVELOPMENTS

### 2.1 ADGM Launches Global Centre to Accelerate Climate Finance

On 4 December, the Abu Dhabi Global Market ('ADGM') announced the pioneering Global Climate Finance Centre ('GCFC') to champion best practices in the UAE and globally following COP28. The GCFC will be headquartered in the ADGM and act as a global think-tank and research hub to address key barriers linked to financial frameworks that hinder investment into low-carbon, sustainable and resilient projects.

The GCFC will have the following core functions:

- to build the UAE and global capacity for financial inclusions
- research, policy and innovation
- advisory and stakeholder engagement
- hold the climate finance academy.

Mercedes Vela Monserrate, as CEO, will lead the GCFC.

You can read the ADGM article [here](#) and the GCFC website [here](#).

## 2.2 ADGM Sustainable Finance Forum Holds Sixth Meeting

On 6 December, the ADGM Sustainable Finance Forum ('ADSFF') held its sixth meeting on 'Building Green Financial Centres of the Future'. The meeting was held on the COP28 thematic day 'Financial, trade and gender equality' and was attended by over 500 key industry leaders and experts.

The agenda included the following discussions:

- 'Abu Dhabi - A Rising Capital of Climate Finance'
- 'The Evolving Investment Strategies of Sovereign Wealth Funds, with One Planet Sovereign Wealth Funds ('OPSWF')
- 'Financing the Transition - A Big Bank's Perspective'
- 'Financing the Greatest Innovation Challenge in History'
- 'Making Emerging Market Projects Bankable'.

You can read the ADGM article [here](#).

## 2.3 ADGMA Signs Several MoUs

On 11 December, the Abu Dhabi Global Market Academy ('ADGMA') announced the signing of several collaborations to advance financial education and national development. The Memorandum of Understanding ('MoU') aims to develop training programmes, hold events, and enhance the ADGM ecosystems.

Highlighted MoUs include the following collaborations:

- Abu Dhabi Chamber to address the evolving economic landscape and to foster growth in Abu Dhabi through training, leadership events and specialised skill programmes
- Sorbonne University Abu Dhabi to support national employability by maximised opportunities for students and graduates
- the University of Manchester to address development in FinTech and Digital Transformation
- British School Middle East to nurture national teachers and introduce the 'teacher programme'.

You can read the ADGM article [here](#).

## 2.4 ADGM Concludes 2023 ADFW

On 14 December, the AGDM announced the successful conclusion of its 2023 edition of Abu Dhabi Finance Week ('ADFW'). The second edition debated the theme 'Investing in the transitional era' and saw over 300 speakers with over 18,000 delegates, more than double the 2022 inaugural edition. Delegates from over 100 countries attended, and the event gathered leadership heads across the financial services sectors.

ADFW consisted of five key theme events:

- Abu Dhabi Economic Forum
- Asset Abu Dhabi
- Global Financial Regulators Summit
- Fintech Abu Dhabi and the R.A.C.E. (Regulation, Awareness, Collaboration, Ecosystem) Sustainability Summit.

You can read the ADGM article [here](#).

## 2.5 ADGM Launches Online Dispute Resolution Platform



On 20 December, the ADGM launched 'ODR@ADGM', an online dispute resolution platform associated with the ADGM arbitration centre. The platform will allow a fully digitalised settlement and mediation service, allowing parties globally to resolve disputes through self-guided negotiations or mediation facilitated by internationally accredited mediators.

You can read the ADGM article [here](#).

## 2.6 ADGM Announces Extension to Moratorium for Company Service Providers

On 31 December, the ADGM Registration Authority ('RA') issued an extension to the moratorium to any variation or new application as a company service provider. The moratorium will commence on 1 January 2024 and apply until 30 June 2024, any new applications for the activities under CSP licence will not be accepted until the end of this moratorium, unless the Registrar has issued an exception.

You can read the ADGM article [here](#).

## 2.7 FSRA Updates Fees Framework

On 18 December, the ADGM's Financial Services Regulatory Authority ('FSRA') revised its fee framework, effective from 1 January 2024. The changes will support the FSRA in meeting its objectives and come into place following consultation in October 2023. The update also consolidates the categories of controlled functions and recognised functions.

Regarding the dealing in investments, key updates:

- includes applicability to include 'spot commodities'
- removes 'recognised functions' and any sections about recognised functions specifically
- updates the defined terms to:
  - o include non-ADGM market regulators
  - o remove the recognised function
  - o remove a recognised person.

Regarding the updated fees rule book, amendments update:

- the rulebook application
- the timing of annual payment is to be paid within 20 days
- the annual fee payment timing to the 1 January
- supplementary fees to consolidate the applicability and extent
- associated guidance
- means of payment to clarify payment methods
- late payments for fees by including late payment fees of US\$2,000 or 3% of the fee due, whichever is higher
- late payment fees for regulatory filings of US\$500
- regulator's powers to provide relief from payment in some circumstances.

Regarding amendments to permission, waivers and modifications of the fee's rulebook, the amendments update:

- fees related to amendments to a financial services permission
- fees for requests for a waiver or modification of a rule.

Regarding application and supervision fees of the fee's rulebook, amendments update:

- multiple regulated activities
- fees associated with select regulated activities including but not limited to:
  - o accepting deposits and providing credit
  - o dealing in investment as principal and dealing in investments as an agent

- managing assets, providing trust services and providing custody
- arranging custody
- advising on investment or credit
- providing money services
- arranging credit
- operating a representative office
- services related to Over the Counter ('OTC') leveraged products.

Regarding recognised bodies, remote bodies and remote members section of the fee rule book, updates include:

- fees relating to:
  - recognised bodies, remote bodies, and remote members
  - approved persons
  - controllers
  - foreign branches of domestic first
  - funds
  - notification concerning exempt funds and qualified funds
  - filing a prospectus
  - notification by an authorised fund manager to manage a foreign fund
  - management of a domestic fund by a foreign fund manager
  - registering a domestic fund under the fund passporting rules
  - admission fees to the official list of securities
  - approval of an offer document originating from outside the ADGM
  - sustainable finance
  - annual designation.

You can read the ADGM article [here](#), the regulation updates [here](#) and the fees [here](#).

## 2.8 FSRA Revises AML and Sanctions Rules and Guidance

On 21 December, the FSRA announced the revision to its AML and sanctions rules and guidance reflecting the UAE federal regulatory framework.

Notable amendments include:

- the update of guidance to include expectations concerning the Federal AML legislation listing the application legislation
- update to references where reliance was on the ADGM rulebook and guidance to include federal AML legislation and guidance
- inclusion of a whistleblowing protection clause
- clarification on the application of sanctions and relevant sanction lists
- the addition of proliferation financing terminology
- enhanced requirements for the business risk assessment
- guidance relating to CDD
- guidance on Financial Action Task Force ('FATF') jurisdiction under increased monitoring/subject to a call for action
- update to guidance on wire transfer and the Travel Rule
- enhanced requirement to comply with targeted financial sanctions and other international obligations
- update the screening requirements for applicable government, regulatory and international findings list
- update to freezing of assets
- update to non-profit organisation requirements
- updated several definitions including but not limited to:
  - AML/TFS
  - goAML

- HM Treasury.
- Updated definitions removing:
  - Federal Law No1 of 2004
  - Federal Law No.4 of 2002
  - Federal Law No.7 of 2014.

You can read the ADGM article [here](#), and the FSRA rule changes [here](#).

#### Further information

If you have any questions or concerns regarding these ADGM and FSRA developments and requirements, please contact [Shadi Dajani](#).

### 3. MIDDLE EAST REGULATORY UPDATES

#### 3.1 UAE Sustainable Working Group Issues Public Statement

On 5 December, the UAE Sustainable Finance Working Group ('SFWG') issued a third public statement on the milestones achieved toward the UAE sustainability agenda. The statement is built on the three foundational pillars.

1. Enhancing sustainability-focused corporate governance and climate financial risk management by:
  - a. Urging financial firms to integrate financial risks into their business strategy and risk management, including:
    - i. management responsibilities
    - ii. monitoring
    - iii. reporting
    - iv. stress testing.
2. Bolstering transparency through sustainability reporting by:
  - a. Encouraging transparency and reporting on ESG by mechanisms such as:
    - i. reporting systems
    - ii. sustainability reports.
3. Contributing to formulating a sustainable finance taxonomy in the UAE by:
  - a. Introduction of minimum standards to encourage adherence to taxonomy.

The initiative aligns with the commitments made in the UAE Green Agenda 2015-2030, the National Climate Change Plan 2017-2050, and the UAE Net Zero by 2050, and it aligns with COP28.

You can read the DFSA's article [here](#) and the ADGM article [here](#).

#### 3.2 MOF Publishes COP28 Report

On 29 December, following the conclusion of COP28, the Ministry of Finance ('MoF') published 'Foreseeing the Future of Financial Stability in the Light of Global Changes'.

The report aligns with the COP28 agenda and addresses:

- the role of fiscal policies in promoting economic stability

- a summary of the keynote speaker, Kristalina Georgieva, the Managing Director of the IMF presentation
- fiscal sustainability in the Arab world beyond COVID-19 pandemic: challenges and opportunities
- the economies of the Arab region and the repercussions of the pandemic
- fiscal policies in the Arab region in light of global environmental and economic issues
- investing in climate solutions
- addressing climate change by enhancing future readiness
- an opinion article by the Minister of State for Financial Affairs
- the role of tax policies to achieve sustainable development
- tax policy reforms in the UAE
- an opinion article by the Undersecretary of the Ministry of Finance
- a summary of regional and international partnerships and cooperation in the financial sector.

In addition, the MoF issued a specific report, 'The 28th Conference of the Parties to the United Nations Framework Convention on Climate Change', discussing the key topics, initiatives, and commitments finalised at the conference.

You can read the MoF report [here](#) and the COP28 report [here](#).

### 3.3 The UAE Ministry of Economy Announces MoU with Austria

On 19 December, the UAE Ministry of Economy ('MoE') signed an MoU to strengthen economic cooperation with Austria. The MoU will strengthen ties and cooperation between the two countries in trade, investment, tourism, AI, technology, green energy, logistics, infrastructure, and vocational training. Delegates heard of the countries' key economic successes and policies, including amendments to the company law, updates to residency systems, and the UAE's role as Austria's top Gulf Cooperation Council ('GCC') top trading partner. The Austrian delegation also invited the UAE to the 'Invest in Austria' conference to encourage Emirati companies to make investment opportunities available in Austrian markets.

You can read the article [here](#).

### 3.4 MoE Reviews Key AML/CTF Cabinet Decision

On 21 December, the MoE issued Cabinet Decision No.109 of 2023 on the organisation of the real beneficial procedures and its associated administrative sanctions. The decision aims to support the national business environment and enhance the UAE economy's position at regional and global levels. Additionally, the decision will clarify beneficial ownership, procedural expectations, and the definition of the Registrar's powers and duties.

Amendments include:

- mechanisms for registration authorities to provide the minimum regulation of the real beneficiary procedures following licensing, registration, partner or shareholder registry procedures
- clarification on effective and sustainable operational and regulatory mechanisms and procedures to regulate the real beneficiary procedures in line with the best international standards for transparency
- the obligation for the registrar to apply a risk-based approach to enhance their access to risk identification, policies, and measures to reduce risk through the application of simplified due diligence/enhanced due diligence requirements as well as Financial Intelligence Unit ('FIU') reporting
- the requirement for the identification of a legal person who ultimately owns or controls, whether directly through a chain of ownership or control or by other means of control, holds the right to appoint or dismiss the majority of its directors, 25%, or more of the shares or holds 25% or more of the voting rights in the legal person
- five steps to identify the real beneficial owner
- the definition of duties of nominee board members

- the requirement to have a certified risk-based approach to registered enterprises
- Registrar powers for enforcement ranging from warning to suspended licence/fine.

You can read the MoE article [here](#).

### 3.5 MoE Sponsors Islamic Finance Event

From 21-22 December, the MoE supported the 'Islamic Financial Transaction between Legislation and Practice' conference in collaboration with the International Islamic Centre for Reconciliation and Arbitration ('IICRA'). The event celebrated the UAE's commitment to pioneering initiatives and strategies and developing a sophisticated legalisation and technological framework. Delegates reviewed Federal Decree-Law No. 50 of 2022 about commercial transactions, which regulates contractual relations, fortifies transactional stability, safeguards parties involved, and standardises Islamic commercial transactions through legislative texts.

You can read the MoE article [here](#).

### 3.6 MoE Launches Unified Family Businesses Registry

On 26 December, the MoE published the Unified Family Businesses Registry and reviewed related cabinet resolutions. The registry will create a comprehensive and unified database for all family businesses in the UAE in line with Cabinet Resolution No. 109 of 2023 on the registration of family businesses.

The MoE article details how to register and unregister a family business in the unified registry, in addition to applying for family charters, and guidance for issuing multiple share classes and share buybacks can be found [here](#).

### 3.7 ECON issues Reg Flag Guidance

On 31 December, the EOCN updated guidance 'Terrorist and Proliferation Financing Red Flag Guidance'. The guidance, previously released in September 2023, discusses financial sector AML and proliferation financing risks, and includes Reporting TF and PF activities, Customer profile risk indicators, account and transaction activity risk indicators, maritime sector risk indicators and trade finance risk indicators. The guidance also covers Virtual Asset Service Providers ('VASP') and Dealers in Precious Metals and Stones ('DPMS').

You can read the guidance [here](#).

### 3.8 Saudi Arabia Consults on Key Governance Principles

On 12 December, the Saudi Central Bank ('SAMA') opened a consultation on draft amendments to 'Key Principles of Governance in Financial Institutions under the Control and Supervision of Saudi Central Bank'. The amendment will align with the new Companies Law and its regulations in addition to international standards and practices.

The consultation closed on 11 January 2024.

You can read the consultation paper [here](#).

### 3.9 SAMA Hosts IFSB Meeting

On 27 December, the SAMA hosted the 43rd council meeting of the Islamic Financial Services Board ('IFBS'). The meeting discussed recent developments and the role of the Islamic finance sector in sustainable economic growth and financial inclusion. In addition, the delegation finalised the strategic action plan for 2024.

You can read the SAMA articles [here](#).

#### Further information

For any questions or concerns regarding these updates, please contact [Mohsin Ismail](#).

## 4. INTERNATIONAL UPDATES

### 4.1 FATF Completes Mutual Evaluation Report for Several Jurisdictions

Throughout December, the FATF and its regional counterparts reviewed the progress made by several countries to meet its 40 FATF Recommendations on AML and CTF efforts.

The Mutual Evaluation Report ('MEP') was updated for:

- The Central African Republic is to be compliant in (3), largely compliant in (11), partially compliant in (17), and non-compliant in (9) recommendations
- Germany to be compliant in (17), largely compliant in (20), and partially compliant in (3) recommendations
- Brazil to be compliant in (10), largely compliant in (19), and partially compliant in (11) recommendations
- Lebanon to be compliant in (9), largely compliant in (25), and partially compliant in (6) recommendations.

You can read the MEP for the Central African Republic [here](#), Germany [here](#), Brazil [here](#) and Lebanon [here](#); you can review the consolidated rating table [here](#).

### 4.2 UN Updates Sanctions List

The UN updated entries on the sanction lists considering the global political landscape. As a member of the UN, the UAE is committed to implementing the resolutions, and all firms must report on their involvement with sanctioned entities.

On 8 December, the Security Council 2653 added four entries to its sanction lists:

- Andre Johnson
- Destina Renel
- Joseph Wilson
- Innocence Vitelhomme.

Firms are reminded to register for live sanction updates on EOCN and report on changes through their platform.

Further details of the 8 December changes can be found [here](#).

### Further information

For any questions or concerns regarding these updates, please contact [Mohsin Ismail](#).

## 5. ENFORCEMENT ACTIONS

### 5.1 DFSA Warning of False Claims of DFSA Regulatory Status

On 22 December, the DFSA issued market warnings for Validus FZCO, Vmarketing LTD and Validus advises consumers of false regulatory status declarations.

You can read the DFSA warning [here](#).

### 5.2 DFSA Fines Brokerage, R.J. Obrien (MENA), for Inadequate Compliance Resource

On 29 December, the DFSA imposed a fine of US\$2.7M for compliance failures on R.J. Obrien. The firm was found to have insufficient planning following the acquisition of an additional brokerage and failed to have adequate support to fulfil its regulatory obligations.

R.J. Obrien received a reduction in fine due to an enforceable understanding and settlement to US\$1.3M.

You can read the DFSA article [here](#).

### Further information

For any questions or concerns regarding these updates, please contact [Mohsin Ismail](#).

## ABOUT WAYSTONE COMPLIANCE SOLUTIONS

Waystone Compliance Solutions offers a new and unique approach to compliance services at a corporate level.

As a truly global partner, we have the capabilities to help you manage regulatory risk right across your organisation.

We can provide key services from initial registration and licensing to compliance programme integration. Our compliance solutions span business strategies, market activities, operational and technology infrastructure, not to mention sales and marketing procedures. And we can do so anywhere in the world.

Our aim at Waystone is simple: to enable our clients to navigate the complex regulatory environment with confidence.

At Waystone, we have brought together the experience, the expertise, and the global reach to give you the certainty you need to address the ever-changing regulatory world. And by doing so, provide you with a secure route on the road to success.

<https://compliance.waystone.com/>

### Consultancy Services & Support

- Compliance Advisory
  - o The Virtual Compliance Clinic
  - o Assurance Reviews
  - o Compliance Remediation
  - o Data Protection
  - o Financial Crime Prevention
  - o Corporate Governance
  - o Risk Management
  - o Prudential Rules & Regulatory Reporting
- Authorisation
- Outsourcing (Compliance Officer, MLRO, Finance Officer and Data Protection Officer)
- Documentation
- Training

If you wish to discuss how Waystone can assist you with any of the issues raised in this regulatory update, please contact us using the details below:

Email: [compliancesolutions@waystone.com](mailto:compliancesolutions@waystone.com)

Website: <https://compliance.waystone.com/>

Tel: Dubai +971 4 323 0800 | Abu Dhabi +971 2 440 2146



or write to us at:  
Waystone Compliance Solutions  
Level 2, Gate Village Building 7,  
Dubai International Financial Centre (DIFC),  
Dubai, PO Box 506733,  
United Arab Emirates

This regulatory update provides information about the consultative documents and publications issued by various regulators which are still current, proposed changes to the Rules and Guidance set out in Handbooks, actual changes to Rules and Guidance that have occurred in the months leading up to the update and other matters of relevance to regulated firms. This regulatory update is intended to provide general summarised guidance only, and no action should be taken in reliance on it without specific reference to the regulators' document referred to therein.