

Financial Crime Prevention & Compliance Training Guide

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This guide aims to assist firms, including Compliance Officers and Money Laundering Reporting Officers ('MLRO's), in ensuring their employees understand the key elements of compliance and financial crime prevention. This includes both new employee induction programs and ongoing training efforts. It is essential that all staff, whether client-facing or working behind the scenes, have a detailed knowledge of the regulatory requirements related to these critical areas.

Both the Dubai Financial Services Authority ('DFSA') and Financial Services Regulatory Authority ('FSRA') require firms to ensure that all employees are adequately trained in these critical areas. This guide outlines the essential topics that should be addressed in compliance and financial crime prevention training programs.

Agenda A: Compliance, DFSA, and FSRA Regulations

1. Introduction to Regulatory Framework
 - Overview of the regulatory environment
 - Importance of compliance in the financial sector
2. Role of the Compliance Officer and MLRO
 - Responsibilities and key functions
 - Reporting structures and oversight
3. Regulatory Overview
 - Key regulatory bodies and their roles
 - Relevant local and international regulations
4. Regulated Business Activities
 - Overview of activities regulated by the DFSA/FSRA
 - Requirements for firms operating in the Dubai International Financial Centre ('DIFC') and Abu Dhabi Global Market ('ADGM')
5. Key Requirements for Authorised Firms
 - General Module and Conduct of Business Module
 - Operational and conduct requirements for authorised firms
6. Market Abuse
 - Understanding market manipulation and insider trading
 - Regulatory expectations around market conduct

7. Bribery and Corruption
 - Identifying risks and reporting requirements
 - Preventative measures and anti-bribery policies
8. Complaints Handling
 - Regulatory requirements for managing customer complaints
 - Procedures for addressing grievances and disputes
9. Foreign Account Tax Compliance Act ('FATCA')/Common Reporting Standard ('CRS')
 - Obligations related to tax reporting
 - Client identification and due diligence procedures
10. Client Classification and Client Agreement
 - Understanding client risk profiles and classification
 - Drafting and executing client agreements in compliance with regulations
11. Marketing of Funds
 - Regulatory constraints and guidelines for advertising investment products
 - Marketing and sales conduct
12. Regulatory Reporting
 - Obligations for periodic and event-driven reporting
 - Regulatory submissions and notifications
13. Data Protection
 - Legal obligations around personal data handling
 - Data privacy principles and security measures
14. Record Keeping
 - Regulatory requirements for maintaining accurate and up-to-date records
 - Period of retention and audit requirements
15. Whistleblowing
 - Protections for whistleblowers
 - Mechanisms for reporting suspicious activities internally
16. Fraud Prevention
 - Identifying potential fraud risks
 - Preventative measures and reporting obligations
17. Conduct & Ethics
 - Firm-wide conduct standards
 - Ethical decision-making and professional behaviour
18. Breaches and Non-Compliance
 - Understanding breaches of compliance
 - Mitigation strategies and reporting
19. Cyber Security and Data Security
 - Measures for protecting firm and client data
 - Identifying and responding to cyber threats
20. Business Continuity Plan ('BCP')
 - Importance of having a business continuity framework
 - Training employees on emergency procedures.

Agenda B: Financial Crime Prevention

1. Money Laundering and Terrorist Financing ('ML/TF')
 - Overview of the ML/TF risks in the financial sector
 - Key legislation and international guidelines
2. Terrorist Financing
 - Understanding the risks of terrorist financing
 - Identification and reporting of suspicious activities
3. Proliferation Financing
 - Recognising and mitigating risks associated with proliferation financing
 - Compliance with international sanctions regimes
4. Annual Basel Index
 - Key financial crime risk indicators and the Basel anti-money laundering ('AML') Index
 - Implications for financial institutions
5. Enforcement Actions
 - Regulatory enforcement actions for non-compliance
 - Consequences for firms and employees
6. UAE Federal Law
 - Key provisions of United Arab Emirates('UAE') Federal Law related to financial crime
 - Impact on operations and employee responsibilities
7. Offences and Penalties
 - Overview of common financial crime offences and penalties
 - Legal repercussions for non-compliance
8. Sanctions
 - Understanding sanctions and their impact on operations
 - Compliance with local and international sanctions laws
9. Tipping Off
 - Legal implications of tipping off clients about investigations
 - Procedures for reporting suspicious activities
10. Risk-Based Approach
 - Understanding and applying a risk-based approach to compliance
 - Risk assessment and management strategies
11. Business Risk Assessment ('BRA')
 - How to assess financial crime risks within the business
 - Ongoing review and updates to the BRA
12. Onboarding Procedures
 - Due diligence measures during client onboarding
 - Key Know Your Customer ('KYC') processes
13. Customer Due Diligence ('CDD')
 - Enhanced due diligence for high-risk clients
 - Verification and monitoring requirements
14. Politically Exposed Persons ('PEP's')
 - Identifying PEPs and associated risks
 - Reporting and monitoring obligations

15. Nominee Shareholders and Directors
 - Regulatory obligations regarding nominee services
 - Identifying risks and ensuring compliance
16. Suspicious Activity Reporting ('SAR')
 - Reporting mechanisms for suspicious activities
 - Training employees to recognise red flags
17. Record Keeping
 - Importance of maintaining comprehensive records for financial crime compliance
 - Regulatory retention periods and documentation standards
18. Management Relationships and Other Obligations
 - Oversight responsibilities of senior management
 - Ensuring firm-wide compliance and setting the 'tone at the top'

How can Waystone help?

This guide provides a clear overview of the essential compliance and financial crime prevention areas that should be covered in employee training. Waystone Compliance Solutions offers expert consultancy services, including reviewing existing training materials, developing customised training content, and the delivery of comprehensive training sessions, tailored to meet your requirements.

If you have any questions, or would like to find out how Waystone Compliance Solutions can assist your firm, please reach out to our [Middle East team](#).

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