



### UAE - Federal

On 1 June, the **UAE Central Bank**, the **Securities and Commodities Authority (SCA)**, the **Dubai Financial Services Authority (DFSA)** of the **Dubai International Financial Centre (DIFC)**, and the **Financial Services Regulatory Authority (FSRA)** of **Abu Dhabi Global Market (ADGM)** jointly launched a four-week public consultation on proposed "Guidelines for Financial Institutions Adopting Enabling Technologies". The consultation sets out cross-sectoral principles and best practices when adopting enabling technologies including APIs, big data analytics and AI; biometrics; cloud computing; and distributed ledger technology.

### UAE - Federal

The **UAE National Committee on AML/CTF** has approved [guidelines](#) for financial and non-financial institutions covering AML/CTF. The guidelines are designed to increase awareness of the importance of adhering to fincrime-related laws and legislation.

The **Central Bank's** new [regulations](#) on payment systems recognise crypto-assets and virtual assets as having monetary value - in effect, recognising crypto as a digital asset that can be held by payment systems in the UAE.

The **Central Bank** has launched a new [whistleblowing portal](#) to allow internal and external stakeholders to anonymously raise any concern related to misconduct or policy violations by employers, employees, contractors, and representatives.

The UAE has launched 'Trade Connect', a blockchain-based trade finance platform designed to reduce fraud. Seven banks participated in the platform's development, with another four now starting pilots. The platform aims to tackle fraud by anonymously sharing data between banks without revealing sensitive underlying data.

### UAE - Dubai

Dubai's **Department of Economic Development** and the **DIFC** have signed an agreement to consolidate efforts and expand the UAE KYC blockchain [platform](#), positioning it as the national corporate e-KYC Platform and the first such platform in the region. It will facilitate faster, more secure and streamlined customer onboarding and allow sharing of verified e-KYC data between licensing authorities and financial institutions through advanced distributed technologies.

The **DFSA** is planning to launch a comprehensive regulatory framework for security tokens, and has published a draft [Framework for Regulating Security Tokens](#) for public consultation. The stated aim is to strike a balance between regulatory oversight and promoting innovation in the digital asset space. It plans to publish laws later in 2021.

### UAE - Abu Dhabi

The **FSRA** has provided an updated set of [regulatory guidelines](#) to support the operations of FinTechs offering third-party services to clients of local financial institutions. The guidelines cover Third Party Providers, defined as companies that act as intermediaries between clients and the financial institutions offering them services. Their products are designed to help clients manage and use their personal data when performing monetary transactions.

The **FSRA** has launched a public consultation to help facilitate the use of eKYC. It has published a consultation paper proposing enhancements to its regulatory framework to help facilitate the use of non-face-to-face digital verification of identity (eKYC) in ADGM and mitigate any associated risks.

### UAE and Egypt

The **Central Bank of the UAE** and the **Central Bank of Egypt** have signed an agreement to strengthen the supervision of licensed financial institutions, such as banks, finance companies and foreign exchange businesses. The agreement sets up mechanisms to oversee the licensing and ownership structure of LFIs, the examination of their operations, and the authorisation of acquisitions. The two regulators also agreed to cooperate on preventing money laundering and terrorist financing through the exchange of confidential information.

### Saudi Arabia

Saudi Arabia has approved a new law to combat financial fraud and breach of trust. The new legislation provides definitions and maximum penalties, and considers the rapid pace of technological advances. Under the new law, individuals convicted of financial crimes face penalties of up to seven years in prison and a maximum fine of SAR5m (\$1.3m). The law also covers the crime of incitement, and makes special provisions for organised crime gangs convicted of organised financial fraud.

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## Jordan

The Jordanian **parliament** has conducted deliberations over a [draft new AML/CTF law](#), as part of Jordan's response to its 2020 FATF mutual evaluation process. The bill introduces detailed criminal penalties for non-compliance with the provisions of the law, and introduces harsher punishment for legal persons and the confiscation of criminally derived proceeds. The bill also expands the scope of those subject to the law, identifies supervisory AML/CTF bodies, expands the powers of the National Committee for Combating Money Laundering and Financing Terrorism, and defines the functions and powers of the Financial Information Unit.

## Turkey

Turkish authorities have expanded the scope of the country's AML/CTF regulations to cover crypto firms. The measure was brought in following the Central Bank's decision in April 2021 to classify crypto as a commodity rather than a currency, making the use of crypto assets for payments illegal. The government is in the process of drafting laws for the taxation of crypto assets.

## US

OFAC has amended the **Terrorism List Governments Sanctions Regulations** to reflect the rescission of Sudan's designation as a state sponsor of terrorism with the [Final Rule](#) coming into effect on 20 May 2021.

## Global

In May, **FATF** and the FATF-Style Regional Bodies (**FSRBs**) provided an up-to-date overview of peer reviews conducted to assess how effectively their members' AML/CFT measures work in practice, and how well they have implemented the technical requirements of the FATF Recommendations.

The **G20's** Finance Ministers and Central Bank Governors have confirmed their commitment to [tackling money laundering and terrorist financing](#), particularly highlighting the importance of tackling financial crime linked to COVID-19 as well as environmental crime. The G20 committed to further supporting and strengthening the Financial Action Task Force network.



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