United Arab Emirates

The Cabinet

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

The Cabinet:

- Having reviewed the constitution.
- Federal Law No. (1) of 1972 on the on the Competencies of the Ministries and Powers of the Ministers and its amendments,
- Federal Law No. (14) of 2016 on Violations and Administrative Penalties in the Federal Government,
- Decretal Federal Law No. (14) of 2018 Regarding the Central Bank & Organization of Financial Institutions and Activities and its amendments,
- Decretal Federal Law No. (20) of 2018 on Anti-money Laundering and Combating the Financing of Terrorism and Financing of Illegal Organizations,
- Decretal Federal Law No. (26) of 2019 on Public Finance,
- Cabinet Decision No. (10) of 2019 Concerning the Implementing Regulation of Decree Law No. (20) of 2018 on Anti- money Laundering and Combating the Financing of Terrorism and Illegal Organizations,
- Cabinet Decision No. (58) of 2020 on Regulating the Beneficial Owner Procedures,
- Cabinet Decision No. (74) of 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,
- And pursuant to what was presented by the Minister of Finance and approved by the Cabinet,

Has decided:

Article (1)

Definitions

In the application of the provisions of this Decision, the following words and expressions shall have the meanings assigned against each, unless the context otherwise requires:

Ministry: Ministry of Justice or Ministry of Economy, as the case may be.

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Decretal Federal Law: Decretal Federal Law No. (20) of 2018 on Anti-money Laundering and Combating the Financing of Terrorism and Financing of Illegal Organizations.

Implementing Regulation: Cabinet Decision No. (10) of 2019 Concerning the Implementing Regulation of Decree Law No. (20) of 2018 on Anti- money Laundering and Combating the Financing of Terrorism and Illegal Organizations.

Designated Nonfinancial Businesses and Professions: Anyone who conducts one or several of the commercial or professional activities defined in Article (3) of the Implementing Regulation that are subject to the Ministry's supervision.

Article (2)

The Authority to Impose Administrative Fines

The Minister shall designate a competent authority within the Ministry to be responsible for imposing the administrative fines on the designated nonfinancial businesses and professions whenever any of the provisions of the Decree Law or the Implementing Regulation thereof is violated, as stipulated in the annexed list.

Article (3)

Amending Administrative Fines

Subject to the text of Article (14) of the Decree Law, the amount of administrative fines mentioned in the list appended to the Decision herein shall be amended by the Cabinet, whether by means of addition, deletion or amendment thereof.

Article (4)

General Provisions

1. The fines imposed pursuant to the provisions of this Decision shall be collected in accordance with the means deemed appropriate by the Ministry of Finance.

2. The Ministry may double the amount of the administrative fine imposed on the violator if the violation is repeated.

3. Imposing the administrative fine pursuant to the provisions of this Decision shall not limit the Ministry's authority to impose any of the other administrative penalties stipulated in Article (14) of the Decree Law.

Article (5)

Raising Grievance against Administrative Fines

1. The Ministry shall notify the violating party within the designated nonfinancial businesses and professions of the Ministry's decision to impose the administrative fine thereon within fifteen (15) days from the date of issuing the notice.

2. The violating party may appeal the decision to impose the administrative fine to the Minister or his/her authorized representative within fifteen (15) days from the date of being notified/informed of the decision, as the case may be.

3. The Minister may, upon reviewing the grievance:

A. Uphold the decision to impose the prescribed administrative fine if the reasons and justifications for issuing the decision against which the grievance was filed are valid.

B. Replace the prescribed administrative fine with one of the penalties stated in Article (14) of the Decree Law, taking into consideration the type of violation committed for which the grieved decision was issued to ensure that it matches the prescribed administrative fine while also making sure the aggrieved party is not harmed by its own grievance.

C. Cancel the prescribed administrative fine if the reasons for the violation are removed or proven invalid.

4. The decision regarding the grievance shall be final, and failure to respond to the grievance within thirty (30) days from the date of submitting the same shall mean the grievance is dismissed.

5. Appealing the decision to impose the administrative fine pursuant to the provisions of this Decision may not be accepted unless after filing grievance against the Decision or rejecting the same or if response to the same is not received within the specified period.

Article (6)

Executive Decisions

The Minister shall issue the necessary decisions to implement the provisions of this Decision.

Article (7)

Publication and Coming into Force

This Resolution shall be published in the Official Gazette and shall come into force on the next day following the date of publication.

Original Copy signed by His Highness

Sheikh Mohammed Bin Rashid Al Maktoum

Prime Minister

Issued by us:

On: 18 Jumada al-Akhirah 1442 H

Corresponding to: 31/January/2021 AD

Annexed Table to the 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

No.	Applicable Article in the Implementing Regulation	Violation	Administrative Fine (AED)
1	Article (4) Clause 1	Failure to undertake the actions and procedures necessary to identify the risks associated with the crime in the violator's field of work.	100,000 AED
2	Article (23)	Failure to identify and assess the risks that may arise in the violator's field of work when developing the services that the violator offers or when conducting new professional practices through its facility.	100,000 AED
3	Article (4) Clause 2	Failure to undertake the actions and procedures necessary to mitigate the risks identified based on the results of the National Risk Assessment or the Self-assessment process given the nature and scale of the violator's business.	50,000 AED
4	Article (20)	Failure to implement internal policies, procedures and controls within the facility aimed at combating crime or preventing involvement in suspicious business relationships.	50,000 AED
5	Article (4) Clause 2/B + Article (22) Clause 1	Failure to take the necessary enhanced due diligence measures to manage high risks.	200,000 AED
6	Article (4) Clause 3	Failure to take the necessary simplified due diligence measures to manage low risks.	50,000 AED
7	Article (5)	Failure to undertake the necessary customer due diligence measures before establishing the business relationship or resuming a business relationship or performing a transaction under the customer's name or in his/her favor.	100,000 AED

8	Article (8) Clause 3	Failure to undertake the necessary measures to understand the purpose of the business relationship and its nature, or the failure to acquire any information pertaining to this purpose when needed.	50,000 AED
9	Article (8) Clause 4	Failure to undertake the necessary measures to understand the nature of the customer's business, the ownership structure of his/her business, and the extent to which the customer has control over that business.	50,000 AED
10	Article (8) Clause 1 and 2	Failure to verify the identity of the customer and the real beneficiary or their representative using documents or data collected from reliable and independent sources before or while establishing a business relationship or opening an account or prior to performing a transaction for a customer with whom no business relationship has been established.	100,000 AED
11	Article (7)	Failure to undertake the due diligence measures pertaining to the ongoing supervision of customers while conducting the business relationship.	50,000 AED
12	Article (13)	Failure to notify the Financial Intelligence Unit of the suspicious transaction report when the customer due diligence measures were not taken before establishing or continuing a business relationship with the customer or performing a transaction for the customer or under his/her name.	200,000 AED
13	Article (17) Clause 1/A	Delay in notifying the Financial Intelligence Unit of the suspicious transaction report in case there is suspicion or if there are reasonable grounds to suspect that the business relationship with the customer is in whole or in part linked to the crime, or that the customer's funds that are subject to the business relationship are in fact proceeds of a crime or were used in committing a crime.	100,000 AED
14	Article (17) Clause 1/A	Failure to provide the Financial Intelligence Unit with the additional information it requires regarding the matter reported in the suspicious transaction report.	200,000 AED
15	Article (14) Clause 1	Dealing with shell banks in any way.	1,000,000 AED
16	Article (14) Clause 2	Opening or maintaining bank accounts using pseudonyms, fictitious names or numbered accounts without the account holder's name.	1,000,000 AED
17	Article (15)	Failure to conduct due diligence measures on politically exposed persons before establishing or continuing a business relationship with such customers.	100,000 AED
18	Article (18) Clause 1	Disclosing, directly or indirectly, to the customer or any other person(s) that they have reported or are intending to report a suspicious transaction.	200,000 AED
19	Article (21)	Failure to appoint a compliance officer	50,000 AED
20	Article (19)	Failure to implement the measures prescribed by the National Committee for Combating Money Laundering and the Financing of Terrorism and Illegal Organizations with respect to customers from high-risk countries.	200,000 AED
21	Article (24) Clause 1	Failure to create records for keeping track of financial transactions with customers.	100,000 AED
22	Article (24) Clause 3	Failure to create records that keep track of financial transactions with the customers in an organized manner, which prevents data analysis and tracking of financial transactions.	50,000 AED

23	Article (24) Clause 2	Failure to keep records and documents related to the financial transactions for a period of five years from the date of concluding the transaction or terminating the business relationship with the customer, or from the date of completion of the inspection of the customer's facilities.	50,000 AED
24	Article (24) Clause 4	Failure to make all the information pertaining to the customer due diligence, ongoing supervision, and the results of their analysis, records, files, documents, correspondence and forms available to the competent authorities upon request.	50,000 AED
25	Article (21) Clause 4	Failure to provide training for the facility's employees on combating money laundering and the financing of terrorism.	50,000 AED
26	Article (60)	Failure to take the necessary measures regarding customers included in the international or domestic sanctions lists before establishing or continuing a business relationship with those customers.	1,000,000 AED