

Guidance on **Targeted Financial Sanctions** for FIs, DNFBPs and VASPs



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Contents

Acronyms	4
Overview of Targeted Financial Sanctions	5
Section 1: Legal Framework	6
Section 2: What are TFS?	7
How long do these measures last?	7
Section 3: What is the Purpose of TFS?	8
Where to find the updated Sanctions Lists?	10
Who is the target of these measures?	10
What does 'funds or other assets' mean?	10
Section 4: Obligations on FIs, DNFBPs, and VASPs to Implement TFS	12
Step 1 – Subscribe	12
Step 2 – Screen	13
Step 3 – Apply Targeted Financial Sanctions	15
Step 4 – Report	16
Additional Obligations for FIs, DNFBPs, and VASPs	21
Section 5: Ownership, Control, and Acting on Behalf or at the Direction of	22
Majority Interest	23
Minority Interest	24
Control	25
Acting on Behalf or at the Direction of	26
Section 6: Enforcement of TFS	27
Consequences for FIs, DNFBPs, and VASPs	27
Exemption from Liability in Case of Good Faith TFS Implementation	27



Contents

Section 7: Requesting an Exemption or Permission to Access Frozen Funds or Other Assets	28
Frozen Funds or Other Assets due to the Local Terrorist List	28
Frozen Funds or Other Assets due to the UN Consolidated List	29
Section 8: Procedure to Cancel or Lift the Freezing Measures	31
Frozen Funds or Other Assets due to the Local Terrorist List	32
Frozen Funds or Other Assets due to the UN Consolidated List	33
Section 9: Requesting the Removal or De-listing of a Designation from the Local Terrorist List	34
Section 10: Requesting the Removal or De-listing of a Designation from the UN List	35
Annex A: Frequency Asked Questions	36
Annex B: EO Notification / Alert System Subscription Guide	43
Document Version Update	45

Acronyms

DNFBPs	Designated non-financial businesses and professions
EOCN	Executive Office For Control & Non-Proliferation
FATF	Financial Action Task Force
FIs	Financial Institutions
FIU	Financial Intelligence Unit
Local Terrorist List	National terrorist list issued by the UAE Cabinet
MOFAIC	Ministry of Foreign Affairs and International Cooperation
Person	Natural and legal person
Sanctions Lists	Local Terrorist List and UN Consolidated List
STR/SAR	Suspicious Transaction Report / Suspicious Activity Report
Supreme Council	Supreme Council for National Security
TFS	Targeted Financial Sanctions
UAE	United Arab Emirates
UN	United Nations
UNSC	United Nations Security Council
UNSCR	United Nations Security Council Resolution
VASPs	Virtual Assets Service Providers
Other Measures	Other sanctions measures besides freezing. These may include travel bans, arms embargoes, export ban, etc.
UN Consolidated List	United Nations Security Council Consolidated List pursuant to the relevant United Nations Security Council Resolutions.
Supervisory Authorities	Federal and local authorities which are entrusted by legislation to supervise FIs, DNFBPs, VASPs and non-profit organisations or the competent authority in charge of approving the pursuit of an activity or a profession in case a supervisory authority is not assigned by legislation.
UNSC Sanctions Committee	United Nations Security Council Sanction Committee that oversees the compliance of United Nations Security Council Resolutions. Please note that all current United Nations sanctions regimes have their own Sanctions Committee.

Overview of Targeted Financial Sanctions

The United Nations Security Council (UNSC) is one of the six principal organs of the United Nations (UN) and has primary responsibility for the maintenance of international peace and security. It has 15 Members, and each member has one vote. Under the Charter of the United Nations, all Member States of the UN are obligated to comply with the Security Council decisions.

The UNSC holds the capacity to take action seeking to maintain or restore international peace and security under Article 41 of Chapter VII of the Charter of the United Nations by imposing sanctioning measures. These measures encompass a broad range of enforcement options that do not involve the authorisation of the use of armed force, including interruption of economic relations, international communications, and diplomatic relations.

The Security Council sanctions regimes focus mainly on supporting the settlement of political conflicts, nuclear non-proliferation, and counterterrorism. These regimes include measures ranging from comprehensive economic and trade sanctions to more targeted measures such as arms embargoes, travel bans, and restrictions on dealing with certain financial or commodity transactions.

In addition, the Financial Action Task Force (FATF), an inter-governmental body responsible for setting international standards on anti-money laundering (AML) and countering the financing of terrorism (CFT) and proliferation (CPF), under Recommendations 6 and 7 (R6/R7) of the FATF Standards, requires the implementation of targeted financial sanctions (TFS) to comply with the UN Security Council Resolutions (UNSCRs) relating to the prevention and suppression of terrorism, terrorism financing, and proliferation financing.

The United Arab Emirates (UAE), as a member of the United Nations, is committed to implementing UNSCRs, including those related to the UN's sanctions regimes. Consequently, through the Cabinet Decision No. 74 of 2020, the UAE is implementing relevant UNSCRs on the suppression and combating of terrorism, terrorist financing and countering the financing of proliferation of weapons of mass destruction, in particular relating to TFS. Persons should note that, in accordance with the laws of the UAE, the UAE Government also applies TFS by publishing a Local Terrorist List in accordance with UNSCR 1373 (2001).

The term TFS refers to asset freezing and other financial prohibitions, agreed upon by the UNSC, to prevent funds or other assets from being made available, directly or indirectly, for the benefit of designated individuals, entities, or groups.

This guidance is therefore focused on the procedures to implement local and UN sanctions by all Persons (natural and legal) in the UAE. Financial Institutions (FIs), Designated Non-Financial Businesses and Professions (DNFBPs), and Virtual Assets Service Providers (VASPs) are obliged, by UAE law, to apply policies, procedures and controls to implement TFS to those sanctioned and designated in the Local Terrorist List and UN Consolidated List (Sanctions Lists).

Section 1: Legal Framework

The following list comprises the relevant federal law and executive regulations issued so far for the purpose of implementing local and UN sanctions in the UAE.

Title	Articles/Text	Issued	Type
Federal Decree No. 26 of 2021 Amending Certain Provisions of Law No. 20 for 2018 on Anti-Money Laundering and Countering the Financing of Terrorism	16.1(e), 28	Issued: 2018 Amended: 2021	Federal Law
Cabinet Decision No. 10 of 2019 Concerning the Implementing Regulation of Decree Federal Law No. 20 of 2018 on Anti-Money Laundering and Combating the Financing of Terrorism and Illegal Organizations	7, 11, 12, 44.7, 60	2019	Executive Regulation
Cabinet Decision No. 74 of 2020 concerning the Local Terrorist 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.	The whole text	2020	Executive Regulation

Section 2: What are TFS?

The term targeted financial sanctions includes both asset freezing without delay and prohibition from making funds or other assets or services, directly or indirectly, available for the benefit of sanctioned individuals, entities, or groups.

- **Asset freezing without delay:** Freezing is the prohibition to transfer, convert, dispose, or move any funds or other assets that are owned or controlled by designated individuals, entities, or groups in the Local Terrorist List or UN Consolidated List. It includes:
 - The freezing of funds and other financial assets and economic resources, and includes preventing their use, alteration, movement, transfer, or access.
 - The freezing of economic resources also includes preventing their use to obtain funds or other assets or services in any way, including, but not limited to, by selling or mortgaging them.

Example:

FIs: a freezing measure can be suspending access to bank accounts or blocking transactions.

DNFBPs: a freezing measure can be stopping the facilitation of or blocking the transfer of ownership of immovable or movable assets.

VASPs: a freezing measure can be blocking services to trade and transfer virtual assets.

- **Prohibition from making funds or other assets or services available:** This means the prohibition to provide funds or other assets to or render financial or other services to, any designated individual, entity, or group.

Example:

FIs: offering banking or transactional services.

DNFBPs: the provision of any services, such as legal services to transfer asset ownership, buying or selling real estate, selling jewelry, precious metals, natural resources, etc.

VASPs: the provision of any services, including but not limited to trading and transferring virtual assets.

How long do these measures last?

Asset freezing and prohibition measures have **no time limit:** the funds or other assets should remain frozen, and the prohibition from making funds or other assets or services available remains until the individual, entity, or group is removed from the Local Terrorist List or the UN Consolidated List or until there is a freezing cancellation decision made by a competent authority or the UNSC.

Section 3: What is the Purpose of TFS?

The purpose of TFS is to deny certain individuals, entities, or groups the means to violate international peace and security, support terrorism or finance the proliferation of weapons of mass destruction. To achieve this, it seeks to ensure that no funds or other assets or services of any kind are made available to designated persons for so long as they remain subject to the targeted financial sanctions measures.

TFS are implemented in the UAE pursuant to UNSCRs in relation to:

a) Terrorism and terrorist financing:

1. Islamic State in Iraq and the Levant (Da'esh), Al-Qaida, and associated individuals, groups, undertakings and entities.	UNSCR 1267 (1999), 1989 (2011) and its successor resolutions
2. The Taliban, and associated individuals, groups, undertakings, and entities.	UNSCR 1988 (2011) and its successor resolutions
3. Any individual or entity included in the Local Terrorist List, pursuant to UNSCR 1373 (2001)	UNSCR 1373 (2001)

b) The proliferation of weapons of mass destruction (WMD):

1. Democratic People's Republic of Korea (DPRK): nuclear-related, other weapons of mass destruction-related and ballistic missile-related programmes.	UNSCR 1718 (2006) and its successor resolutions
2. Islamic Republic of Iran: nuclear programme	UNSCR 2231 (2015)

c) Other UN sanctions regimes with TFS:

1. Somalia	UNSCR 1844 (2008)
2. Iraq	UNSCR 1483 (2003)
3. Democratic Republic of Congo (DRC)	UNSCR 1596 (2005) & UNSCR 1807
4. Related to the involvement of terrorist bombing in Beirut (2005) plus restrictive measures in relation to UNSCR 1701 (2006) on Lebanon UNSCR 1636 (2005) & UNSCR 1701 (2006)	UNSCR 1636 (2005) & UNSCR 1701 (2006)
5. Libya	UNSCR 1970 (2011)
6. Central African Republic	UNSCR 2127 (2013)
7. South Sudan	UNSCR 2206 (2015)
8. Mali	UNSCR 2374 (2017)
9. Yemen	UNSCR 2140 (2014)

FIs, DNFBPs, and VASPs should note that TFS restrictions published in the Local Terrorist List and UN Consolidated List are subject to change. It is the obligation of all FIs, DNFBPs, and VASPs to ensure relevant controls and procedures are in place to maintain relevant and up-to-date controls in order to effectively implement TFS restrictions.

Where to find the updated Sanctions Lists?

The information on designated individuals, entities, or groups in the Sanctions Lists is subject to change. The most recently updated information can be found in the following links:

- The UAE has a Local Terrorist List of all the sanctioned individuals, entities, or groups designated by the UAE Cabinet. The link to the Local Terrorist List can be found at the bottom of the Sanctions Implementation webpage on the Executive Office for Control & Non-Proliferation's (EOCN) website: <https://www.uaecic.gov.ae/en-us/un-page?p=2#>
- The UNSC has a UN Consolidated List of all the sanctioned individuals, entities, or groups designated by the United Nations Sanctions Committees or directly by the UNSC. This link can be found on: <https://www.un.org/securitycouncil/content/un-sc-consolidated-list>

Who is the target of these measures?

The freezing measures, including the prohibition of making funds or other assets or services available, apply to:

- a) Any individual, entity, or group designated in the Local Terrorist List issued by the Federal Cabinet or designated by the UNSC in the UN Consolidated List.
- b) Any entity, directly or indirectly **owned or controlled by** an individual, entity, or group designated under A.
- c) Any individual or entity **acting on behalf of or at the direction of** any individual, entity, or group designated under A & B.

In cases where an asset is owned or controlled in part or in full by a designated individual, entity, or group and such asset continues to produce benefit, for example in the form of dividends or interest, the relevant portion of such benefit is also subject to freezing measures.

What does 'funds or other assets' mean?

Funds or other assets: The term funds or other assets means any assets, including, but not limited to, financial assets, economic resources (including oil and other natural resources), property of every kind, whether tangible or intangible, movable or immovable, however acquired, and legal documents or instruments in any form, including electronic or digital, evidencing title to, or interest in, such funds or other assets, including, but not limited to, bank credits, travellers cheques, bank cheques, money orders, shares, securities, bonds, drafts, or letters of credit, and any interest, dividends or other income on or value accruing from or generated by such funds or other assets, and any other assets which potentially may be used to obtain funds, goods or services.

Categories of funds: All types of funds or other assets are subject to freezing measures. The funds or other assets can be categorised into the following types:

1. Funds and Other Financial Assets

Funds and other financial assets subject to sanctions are, for example, the following:

- a. Cash, cheques, claims on money, drafts, money orders, bearer instruments, internet-based and other electronic or digital payment instruments, including virtual currencies.
- b. Deposits with FIs or other entities and balances on accounts, including but not limited to: (1) fixed or term deposit accounts, (2) balances on share trading accounts with banks, brokerage firms, or other investment trading accounts.
- c. Debts and debt obligations, including trade debts.
- d. Other accounts receivable, notes receivable, and other claims of money on others.
- e. Equity and other financial interest in a sole trader or partnership.
- f. Publicly and privately traded securities and debt instruments, including stocks and shares, certificates representing securities, bonds, notes, warrants, debentures, and derivatives contracts.
- g. Interest, dividends, or other income on or value accruing from or generated by assets.
- h. Credit, right of set-off, guarantees, performance bonds or other financial commitments.
- i. Letters of credit, bills of lading, bills of sale; notes receivable and other documents evidencing an interest in funds or financial resources and any other instruments of export-financing.
- j. Insurance and reinsurance.

2. Economic Resources

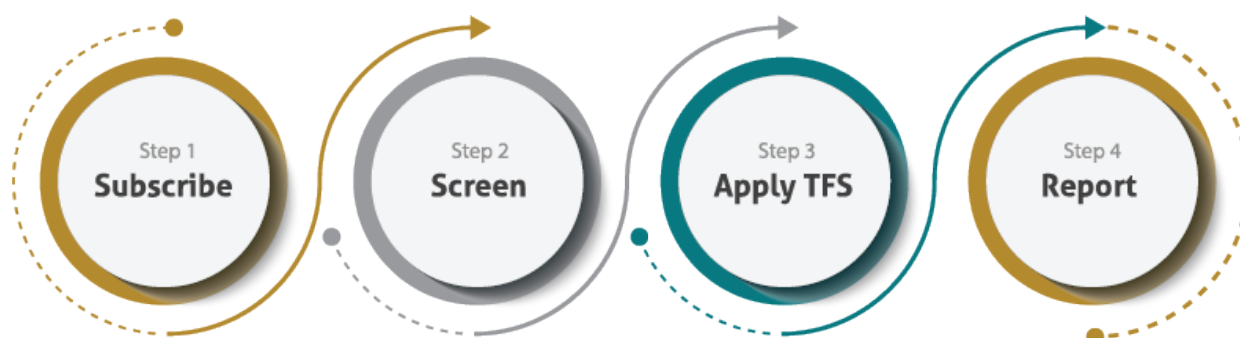
Economic resources subject to sanctions include assets of any kind, whether tangible or intangible, movable, or immovable, actual, or potential, which potentially may be used to obtain funds, goods, or services, such as:

- a. Land, buildings, or other real estate.
- b. Equipment, including computers, computer software, tools, and machinery.
- c. Office furniture, fittings and fixtures and other items of a fixed nature.
- d. Vessels, aircraft, and motor vehicles.
- e. Inventories of goods.
- f. Works of art, cultural property, precious stones, jewelry, or gold.

- g. Commodities, including oil, minerals, or timber.
- h. Arms and related material, including all items mentioned in the arms embargo, included but not limited to weapons and ammunition, military vehicles and equipment, paramilitary equipment, and spare parts for the aforementioned, and technical advice, assistance, or training related to military activities.
- i. Raw materials and components that can be used to manufacture improvised explosive devices or unconventional weapons, including but not limited to chemical components, detonating cord, or poisons.
- j. Patents, trademarks, copyrights, trade names, franchises, goodwill, and other forms of intellectual property; internet hosting or related services.
- k. Any other assets.

Section 4: Obligations on FIs, DNFBPs, and VASPs to Implement TFS

All FIs, DNFBPs, and VASPs must:



Step 1 – Subscribe

FIs, DNFBPs, and VASPs are required to subscribe to the EOCN Notification System on the EOCN’s website to receive automated email notifications on any updates to the Sanctions Lists: <https://www.uaeiec.gov.ae/en-us/un-page>

This registration is aimed to help FIs, DNFBPs, and VASPs to receive updated and timely information about the designation and de-listing of individuals, entities, or groups in the Sanctions Lists.

For guidance on how to subscribe, refer to “Annex B: EOCN Notification System Subscription Guide”.

TFS Survey Feature

The EOCN Notification System has been enhanced to include a TFS survey feature which provides a step-by-step guide for FIs, DNFBPs, and VASPs on their obligation to implement TFS as per Cabinet Decision No. 74 of 2020, including screening, freezing, and reporting. FIs, DNFBPs, and VASPs are encouraged to fill out the survey whenever a designation update is received.



Step 2 – Screen

FIs, DNFBPs, and VASPs must undertake regular and ongoing screening on the latest Local Terrorist List and UN Consolidated List. Screening must be undertaken in the following:

- Upon any updates to the Local Terrorist List or UN Consolidated List. In such cases, screening must be conducted immediately and without delay to ensure compliance with implementing freezing measures without delay (within 24 hours).
- Prior to onboarding new customers.
- Upon KYC reviews or changes to a customer's information.
- Before processing any transaction.

FIs, DNFBPs, and VASPs are also required to identify, assess, monitor, manage and mitigate terrorist and proliferation financing risks, particularly sanctions-related risks. The internal screening process must take into account such a risk assessment. Where there are higher risks, FIs, DNFBPs, and VASPs should take commensurate measures to manage and mitigate the risks, including applying enhanced screening measures. Correspondingly, where the risks are lower, they should ensure that the screening measures are commensurate with the lower level of risk. **FIs, DNFBPs, and VASPs must ensure full implementation of targeted financial sanctions in any risk scenario.**

The following databases must be included in the screening process:

- Existing customer databases. All systems containing customer data and transactions need to be mapped to the screening system to ensure full compliance.
- Potential customers before conducting any transactions or entering a business relationship with any Person.
- Names of parties to any transactions (e.g., buyer, seller, agent, freight forwarder, etc.)
- Ultimate beneficial owners, both natural and legal.
- Names of individuals, entities, or groups with direct or indirect relationships with them.
- Directors and/or agents acting on behalf of customers (including individuals with power of attorney).

Sanctions Lists contain a range of information to aid the identification of designated individuals, entities, or groups. The following are examples of the identifiers in the Sanctions Lists:

For natural person	For legal persons
<ul style="list-style-type: none"> · Name · Aliases · Date of birth · Nationality · ID or passport information · Last known address 	<ul style="list-style-type: none"> · Name(s) · Aliases · Address of registration · Address of branches · Other information

Partial Name Match	A partial name match is when there is a partial match between identifiers in the Sanctions Lists with any information in your databases, and you are unable to conclude a false positive or a confirmed match.	Example: Your customer's name and DOB match with the identifiers of a designated person in the Sanctions Lists, but the nationality is different and there is a slight difference in the name spelling.
Confirmed Match	A confirmed match is when an individual, entity, or group matches all of the key identifiers published on the Sanctions Lists.	Example: Your customer's name, nationality, and DOB fully match with the identifiers of a designated person in the Sanctions Lists, but the registered address is different.
False Positive Result	A false positive is a partial name match to listed individuals, entities, or groups, either due to the common nature of the name or due to ambiguous identifying data, which on examination proves not to be a confirmed match.	Example: Your customer's name matches with a designated person who is 40 years old according to the DOB identifier in the Sanctions Lists, but your customer is a 16-year-old high school student.
Negative Result	A negative result is when no match is identified upon conducting screening.	Example: You have conducted screening following a designation on the Local or UN Lists and neither a confirmed nor a partial name match was identified.

Because many names are very common, you may find various partial name matches. However, it does not necessarily mean that the individual, entity, or group you are dealing with is subject to TFS.

When identifying the partial name match, by taking into consideration the knowledge you have of the customer, potential customer, beneficial owner, or transaction, through the customer due diligence and/or using reasonable information (e.g., open-source information, media articles, commercial databases, etc.), you must cross-check your customer's data with the identifiers published on the Sanctions Lists. If you are satisfied that the individual, entity, or group is not the designated individual, entity, or group, i.e. a '**False Positive Result**', then you do not need to implement any TFS measures. You may allow the transaction or business to continue its normal course, and you are required to maintain evidence of this process in your records.

If you are unable to internally verify whether the '**partial name match**' is a false positive result or a confirmed match, then you must suspend any transaction and report the case to the EOCN and the relevant Supervisory Authority and uphold the suspension measures until a response is received from the EOCN on the status of the partial name match (whether false positive or confirmed match). Reporting procedures on suspension measures due to partial name matches are further explained in "Step 4 – Report".

If the individual, entity, or group matches all of the key identifiers published on the Sanctions Lists, then the result is considered a '**confirmed match**'. In case the confirmed match is an existing customer, you must freeze without delay, refrain from offering any funds or other assets or services and report the freezing measures to the EOCN and the relevant Supervisory Authority within five business days from taking any freezing measure and/or attempted transactions. In case the confirmed match is a potential customer, you must reject the transaction immediately and report the case. Reporting procedures on freezing measures due to confirmed match are further explained in "Step 4 – Report".

Step 3 – Apply Targeted Financial Sanctions

The following are the TFS measures that must be implemented if a match with the Local Terrorist List or UN Consolidated List is identified.

- I. **Freeze all funds or other assets without delay:** freeze without delay (immediately or in any case within 24 hours) and without prior notice to the designated individual, entity, or group, all the funds or other assets:
 - a. Owned or controlled, wholly or jointly, directly, or indirectly, by an individual, entity, or group designated in the Local Terrorist List or the UN Consolidated List.
 - b. Derived or generated from funds or other assets under item (a); or
 - c. Any individual or entity acting on behalf of or at the direction of any designated individual, entity, or group.

The obligations to freeze without delay shall not prevent additions to frozen accounts of:

- interest, profits, or other earnings due on the account; or
- of payments due under contracts, agreements or obligations agreed upon prior to the date on which the account has become subject to freezing, provided such additions are immediately frozen.

II. Prohibition of making funds or other assets or services available: FIs, DNFBPs, and VASPs in the UAE are prohibited from providing funds or other assets to or rendering financial services or other services related to, whether in whole or in part, directly or indirectly, or for the benefit of any designated individual, entity, or group on the Local Terrorist List or on the UN Consolidated List.

Important: The obligation to implement targeted financial sanctions as per Cabinet Decision No. 74 of 2020 applies exclusively to individuals, entities, and groups designated on either the Local Terrorist List or UN Consolidated List. For designations on international sanctions lists (e.g. OFAC, UKHMT, EU, etc.), follow the instruction of your relevant Supervisory Authority on how to deal with matches to international sanctions lists.

Step 4 – Report

The mechanism to report any freezing or suspension measures taken upon identifying confirmed or partial name matches is through the goAML platform. For non goAML users (Persons that do not fall under the definition of FIs, DNFBPs, or VASPs and are therefore not under an obligation to register on goAML), reporting should be made by sending an email to the EOCN through iec@uaeiec.gov.ae.

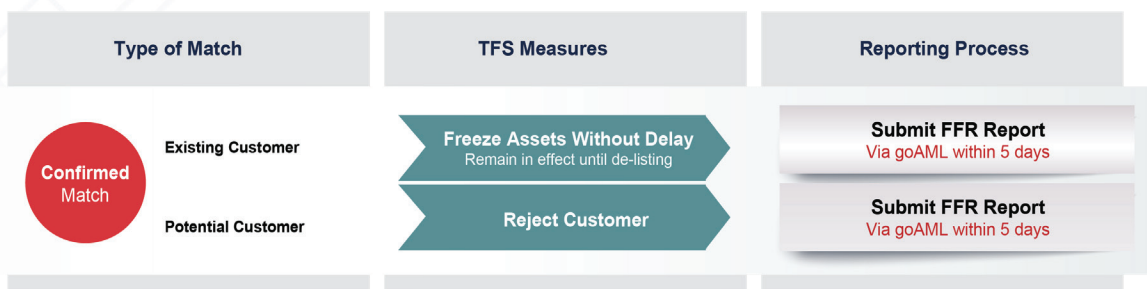
Reporting TFS measures through GoAML

The FIU, in collaboration with the EOCN, has enhanced the goAML platform to allow FIs, DNFBPs, and VASPs to report freezing measures taken to implement TFS pursuant to Cabinet Decision No. 74 of 2020. The use of the goAML platform for TFS reporting purposes eases the burden of reporting on the FIs, DNFBPs, and VASPs since it utilizes a single platform for reporting, which many of the reporting entities are familiar with. The FIU has developed namely two additional reports: **Funds Freeze Report (FFR)** and **Partial Name Match Report (PNMR)**. Once the reporting entity raises the FFR or PNMR through goAML, the EOCN and the relevant Supervisory Authority are notified at the same time.

Funds Freeze Report (FFR)

In case a confirmed match is identified, the reporting entity must freeze without delay (within 24hrs) all funds and other assets and submit a FFR through goAML within five business days of implementing the freezing measures, along with all the necessary information and documents regarding the confirmed match and the freezing measures taken. The following information is obligatory when submitting an FFR:

- **The full name of the ‘confirmed match’.** Attach ID documents of the ‘confirmed match’, such as passport or other ID documents for individuals, and trade licenses and articles of association for entities.
- **Amount of funds or other assets frozen** (e.g., value of funds in bank accounts, value of transactions, value of securities, value of real estate, etc.). Attach proof documents such as bank statements, transaction receipts, securities portfolio summary, title deeds, etc.



The examples below illustrate scenarios in which FIs, DNFBSs, and VASPs are required to submit FFRs and the type of information that should be included.

- **Financial Institutions**

Example 1: Bank

During the screening process, a bank identifies a full name match between a customer in its database (Person A) and a designated person on the Sanctions Lists. Person A's nationality and DOB also match with the designated person; however, the registered address is different. Person A has active current & savings accounts, a credit card, and a loan facility with the bank. In this case, Person A is considered to be a confirmed match. The bank must freeze without delay the current and savings accounts, credit card, and loan facility of Person A and submit a FFR in goAML. The FFR must include attachments that clarify:

- Amount of funds frozen in each account. Include supporting documents such as account statements.
- Amount of funds frozen in the credit card (e.g., limit on the credit card and the remaining balance). Include supporting documents such as credit card statements.
- Amount of funds frozen in the loan facility (e.g., total sum of the loan facility and the remaining balance).
- ID documents of the confirmed match, such as ID card, travel documents, trade licenses, etc.

Example 2: Exchange House

An exchange house identifies a confirmed match (Person A) to the Sanctions Lists when screening its transactions database. Person A is attempting to make a transfer to a non-designated individual (Person B). The exchange house must freeze the transaction without delay and submit an FFR in goAML. The FFR must include attachments that clarify:

- The transaction amount frozen. Include supporting documents such as transaction receipt.
- ID documents of the confirmed match (Person A) and the recipient (Person B), such as ID card, travel documents, trade licenses, etc.

Example 3: Insurance

An insurance company identifies a confirmed match (Person A) when screening its customer database. Person A is the beneficiary of a life insurance policy. The insurance company must freeze the policy, including future premiums on receipt and any interest due to the account, and seek approval from the EOCN before making any payments under the policy. The insurance company must also submit an FFR in goAML with details of the insurance agreement (including policyholder, beneficiary, premiums, etc.)

Example 4: Brokerage

A brokerage company identifies a confirmed match (Person A) when screening its customer database. Person A owns a stock portfolio with the brokerage firm. Person A also receives dividends from the stocks owned. The brokerage company must freeze the stock portfolio without delay and submit an FFR in goAML. The FFR must include attachments that clarify:

- The quantity of the stocks frozen and their value. Include supporting documents such as portfolio summary.
- ID documents of the confirmed match, such as ID card, travel documents, trade licenses, etc.

The brokerage company should credit any dividends due to Person A's account; however, the account must remain frozen, and the brokerage company must ensure that Person A is unable to sell his stocks or avail the dividends received.

- **Designated Non-Financial Businesses & Professions**

Example 1: Real Estate Brokers and Developers

A real estate broker identifies a confirmed match (Person A) when screening the parties to a property sale transaction. Person A is the prospective seller of the real estate. The real estate broker must block the transaction immediately, refrain from offering any services to Person A, and submit an FFR in goAML. The FFR must include attachments that clarify:

- The type, value, and location of the real estate being sold. Include supporting documents such as title deeds.
- ID documents of the confirmed match, such as ID card, travel documents, trade licenses, etc.

Example 2: Dealer in Precious Metals & Stones (DPMS)

A DPMS identifies a confirmed match (Person A) when screening a prospective customer. Person A is attempting to sell high-value jewelry to the DPMS. The DPMS must immediately refrain from offering any services, including the sale or purchase of jewelry, to Person A and submit an FFR in goAML. The FFR must include attachments that clarify:

- Details of the attempted transaction, including the specifications and value of the jewelry attempted for sale.
- ID documents of the confirmed match, such as ID card, travel documents, trade licenses, etc.

Example 3: Company Service Providers (CSPs)

A CSP identifies a confirmed match (Entity A) when screening its client database. Entity A is engaging the CSP for services to act as a formation agent. The CSP must immediately refrain from offering any services to Person A and submit an FFR in goAML. The FFR must include attachments that clarify

- Details of the attempted transaction and formation agreement.
- ID documents of the confirmed match, such as ID card, travel documents, trade licenses, etc.

- **Virtual Asset Service Provider**

Example 1: Cryptocurrency Exchange

A cryptocurrency exchange identifies a confirmed match (Person A) when screening its customer database. Person A owns multiple cryptocurrencies (Bitcoin, Ethereum, Ripple, etc.) in his exchange wallet. The cryptocurrency exchange must freeze the cryptocurrency assets in Person A’s exchange wallet without delay and submit an FFR in goAML. The FFR must include attachments that clarify:

- The quantity of the cryptocurrency assets frozen and their value. Include supporting documents such as a portfolio summary.
- ID documents of the confirmed match, such as ID card, travel documents, trade licenses, etc.

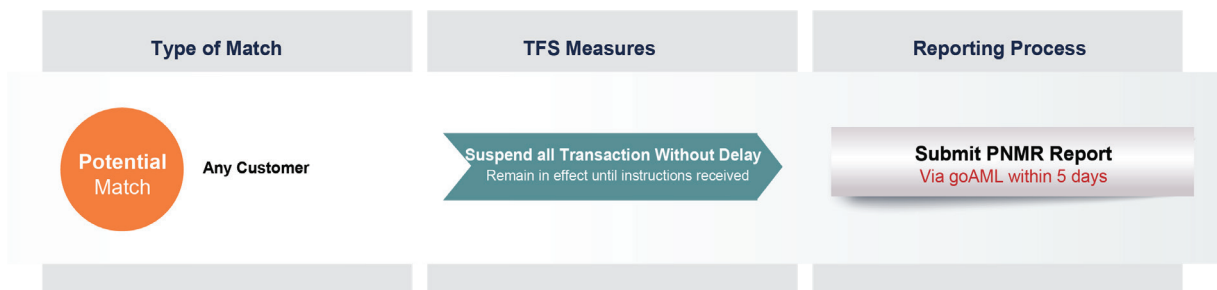
Funds Freeze Reports also cover previous transactions conducted by the confirmed match even if no current funds or other assets are held by the reporting entity. However, the reporting entity is required to clarify in the description of the FFR that no funds or other assets are currently being held by the reporting entity, and that the business relationship has ceased.

Partial Name Match Report (PNMR)

In case a partial name match is identified, the reporting entity is required to suspend without delay any transaction, refrain from offering any funds, other assets or services, and submit a Partial Name Match Report (PNMR) through goAML, which will be received by the EOCN and the relevant Supervisory Authority. The reporting entity must ensure all the necessary information and documents regarding the name match are submitted and maintain suspension measures related to the partial name match until further instructions are received from EOCN via goAML on whether to cancel the suspension (‘false positive’) or implement freezing measures (‘confirmed match’). The following information is obligatory when submitting a PNMR:

- **The full name of the ‘partial name match’.** Attach ID documents of the ‘partial name match’, such as passport or other ID documents for individuals, and trade licenses and articles of association for entities.
- **Amount of funds or other assets suspended** (e.g., value of funds in bank accounts, value of transactions, value of securities, value of real estate, etc.). Attach documentary proof such as bank statements, transaction receipts, securities portfolio summary, title deeds, etc.

Refer to the FAQ for the technical difference between freezing and suspending.



The examples provided for FFRs in the previous section, in terms of the suspension (freezing) measures and type of information required also apply when submitting PNMRs.

Reporting TFS by Email

For non goAML users (Persons that do not fall under the definition of FIs, DNFBPs, or VASPs and are therefore not under an obligation to register on goAML), the reporting of any freezing measures or attempted transaction by a designated individual, entity, or group must be communicated directly by email to the EOCN through iec@uaeiec.gov.ae within five business days from implementing any freezing measures. The email must include information on the full name of the confirmed or partial name match, and the value of funds or other assets frozen (attaching ID and documentary proof as listed above).

Reporting STRs / SARs

FIs, DNFBPs, and VASPs should be able to differentiate between cases that require submitting an FFR/PNMR, and between suspicious transactions and activities that require submitting an STR/SAR.

Any suspicious transactions or activities that might be related to sanctions evasion, and which do not include confirmed or partial name matches to the UAE Local Terrorist List or UN Consolidated List, should be reported to the FIU by raising a STR/SAR through the goAML platform.

In the context of implementing TFS, reporting entities are advised to familiarize themselves with the TFS-related Reasons for Reporting (RFRs) in goAML. Below is a non-comprehensive list of TFS related RFRs when raising STRs/SARs:

- Customer is engaging in complex commercial deals and arrangements that seem to be aiming to hide the final destiny of the transaction/good or the beneficial owner, which could be a designated individual, entity, or group. (E.G: the use of a front company, middlemen, or intermediaries by the designated individual to circumvent the targeted financial sanctions).
- Customer is carrying out multiple ATM cash withdrawals in short succession across various locations in territories where sanctioned people have influence or around the border of sanctioned countries linked to terrorist financing.
- Customer is suspected to be working or acting on behalf of, or is controlled by, a sanctioned individual, entity, or group.
- Customer or transaction is suspected of being linked (directly or indirectly) to DPRK's nuclear-related, WMD-related, or ballistic missiles weapons program.
- Customer or transaction is suspected of being linked (directly or indirectly) to IRAN's nuclear weapons program.
- Customer or transaction is suspiciously involved in the supply, sale, delivery, export, or purchase of dual use, controlled, or military goods to countries of proliferation concerns or related to illegal armed groups.
- Transaction involves sale, shipment, or export of dual use goods incompatible with the technical level of the country to which it is being shipped.
- Trade finance transaction involves shipment route (if available) through country with weak export control laws or weak enforcement of export control laws.
- Inclusion of the individual/entity in the international sanctions list e.g. OFAC, UKHMT, EU, etc.

Example 1: UN Panel of Experts Report

After conducting screening, you have identified that a customer (Person A) is mentioned in a UN Panel of Experts Report. However, Person A is **not listed** in neither the UN Consolidated List nor the Local Terrorist List. In this case, you are not required to implement the TFS requirements since Person A is not listed locally or by the UNSC; however, the fact that Person A is mentioned in a UN Panel of Experts Report may be a cause for suspicion and you should consider raising an STR/SAR to the UAE FIU.

Example 2: International Sanctions

After conducting screening, you have identified that a customer (Person A) is subject to international sanctions. However, Person A is **not listed** in neither the UN Consolidated List nor the UAE Local Terrorist List. In this case, you are not required to implement the TFS requirements since Person A is not listed locally or by the UNSC; however, the fact that Person A is subject to international sanctions may be a cause for suspicion and you should consider raising an STR/SAR to the UAE FIU.

For more information on sanctions evasion and red flags, refer to EOCN's [Typologies on the Circumvention of Targeted Sanctions against Terrorism and Proliferation of Weapons of Mass Destruction](#) and [the Guidance on Counter Proliferation Financing for FIs, DNFBPs and VASPs](#)

Additional Obligations for FIs, DNFBPs, and VASPs

In addition to the above, FIs, DNFBPs, and VASPs must fulfill the following obligations:

1. **Cooperate** with the EOCN and the relevant Supervisory Authority in verifying the accuracy of the submitted information.
2. **Implement the freezing, cancellation, or lifting decision**, when appropriate, without delay, pursuant to related UNSCRs or decisions of the Cabinet regarding issuance of the Local Terrorist List.
3. **Set and implement policies**, procedures, and internal controls to:
 - Ensure compliance with the obligations arising from Cabinet Decision No. 74 of 2020.
 - Identify the existing accounts, transactions, funds or other assets of designated individuals, entities, or groups.
 - Conduct ongoing TFS training and awareness sessions to relevant employees and senior management.
 - Adopt reasonable measures to consider beneficial owners, signatories, and powers of attorney with respect to accounts or transactions held by FIs, DNFBPs, or VASPs when searching for activities by designated individuals, entities, or groups.
 - Prohibit staff from, directly or indirectly, informing the customer or any third party that freezing action or any Other Measures are going to be implemented as per provisions of Cabinet Decision No. 74 of 2020.
 - Ensure having the appropriate resources to meet the obligations of implementing TFS.

Section 5: Ownership, Control, and Acting on Behalf or at the Direction of

Majority Interest

FIs, DNFBPs, and VASPs are obligated to apply freezing measures on entities which are majority owned by designated individuals or entities.

In implementing TFS, the criterion to be taken into account when assessing whether a legal entity is **majority owned** by a designated individual or entity is the possession of more than 50% of the proprietary rights of the legal entity or having a controlling interest in it. If this criterion is satisfied, it is considered that the legal entity or arrangement is owned by another individual or entity and is subject to freezing measures.

Example: Person A is designated in the Sanctions Lists and owns 51% of non-designated Company A. Two other owners own 25% and 24% and are not designated. There is no legal evidence (e.g. power of attorney agreement) to suggest that the two other owners are acting on behalf of Person A. The funds or other assets of non-designated Company A must be frozen without delay since designated Person A owns more than 50% of non-designated Company A. However, the funds or other assets of the two non-designated owners must not be frozen since they are not designated and there is no legal evidence to suggest that they are acting on behalf of the designated Person A.

Designated Person
Ownership 51%

Person 2
Ownership 25%

Person 3
Ownership 24%



COMPANY A

Minority Interest

A designated person holding 50% or less of the proprietary rights of a legal entity is considered to be holding a **minority interest** in the legal entity. In that case, the legal entity is not subject to freezing measures. However, FIs, DNFBPs, and VASPs must remain attentive to any changes in the ownership structure of the legal entity whereby the designated person's stake increases to greater than 50% or if they obtain a controlling interest. FIs, DNFBPs, and VASPs must also ensure that funds or other assets (e.g. profits, proceeds from sale of assets, etc.) due to the designated person are subject to freezing measures and are not made available under any circumstances.

Example: Person A is designated in the Sanctions Lists and owns 30% of non-designated Company A. Two other owners own the remaining 70% equally (35% each) and are not designated. There is no legal evidence (e.g. power of attorney agreement) to suggest that the two other owners are acting on behalf of Person A. The funds or other assets of non-designated Company A must not be frozen since designated Person A owns less than 50% of non-designated Company A and does not hold a majority interest. However, extreme vigilance is required to monitor any changes in the ownership structure in which Person A's stake in Company A increases to above 50% or if he obtains a majority interest. In addition, any funds or other assets due to Person A as a result of owning 30% of Company A must be subject to freezing measures. The funds or other assets of the two other owners must not be frozen since they are not designated and there is no legal evidence to suggest that they are acting on behalf of the designated Person A.

Designated Person
Ownership 30%

Person 2
Ownership 35%

Person 3
Ownership 35%



COMPANY A

Control

FIs, DNFBPs, and VASPs should apply freezing measures in cases in which a designated person holds a minority interest, if there is evidence that the designated person exerts control over the legal entity (despite owning a minority interest). The criteria to be taken into account when assessing whether a legal entity is **mainly controlled** by another person or entity, alone or pursuant to an agreement with another shareholder or other third party, could be any of the following:

- a. having the right to appoint or remove a majority of the members of the administrative or management body of such legal person, entity, group or arrangement;
- b. having appointed solely as a result of the exercise of one's voting rights a majority of the members of the administrative or management body of a legal person, entity, group or arrangement who have held office during the present and previous financial year;
- c. controlling alone, pursuant to an agreement with other shareholders in or members of a legal person, group or entity, a majority of shareholders' or members' voting rights in that legal person, entity, group or arrangement;
- d. having the right to exercise a dominant influence over a legal person, group or entity, pursuant to an agreement entered into with that legal person, entity, group or arrangement, or to a provision in its Memorandum or Articles of Association, where the law governing that legal person, entity, group or arrangement permits its being subject to such agreement or provision;
- e. having the power to exert the right to exercise a dominant influence referred to in point (d), without being the holder of that right;
- f. having the right to use all or part of the assets of that legal person, entity, group or arrangement;
- g. managing the business of that legal person, entity, group or arrangement on a unified basis, while publishing consolidated accounts;
- h. sharing jointly and severally the financial liabilities of legal person, entity, group, or arrangement, or guaranteeing them.
- i. Having a power of attorney or authorized signatory arrangement over a legal person, entity, or group.

Example 1:

Person A is designated in the Sanctions Lists and owns 30% of non-designated Company A. Two other owners own the remaining 70% equally (35% each) and are not designated. Person A has a signed agreement with the two other owners that gives Person A majority voting rights in Company A. Despite Person A holding a minority interest, the funds or other assets of Company A must be frozen without delay since the signed agreement between Person A and the other owners proves that Person A exerts control over Company A by holding majority of the voting rights.

Example 2:

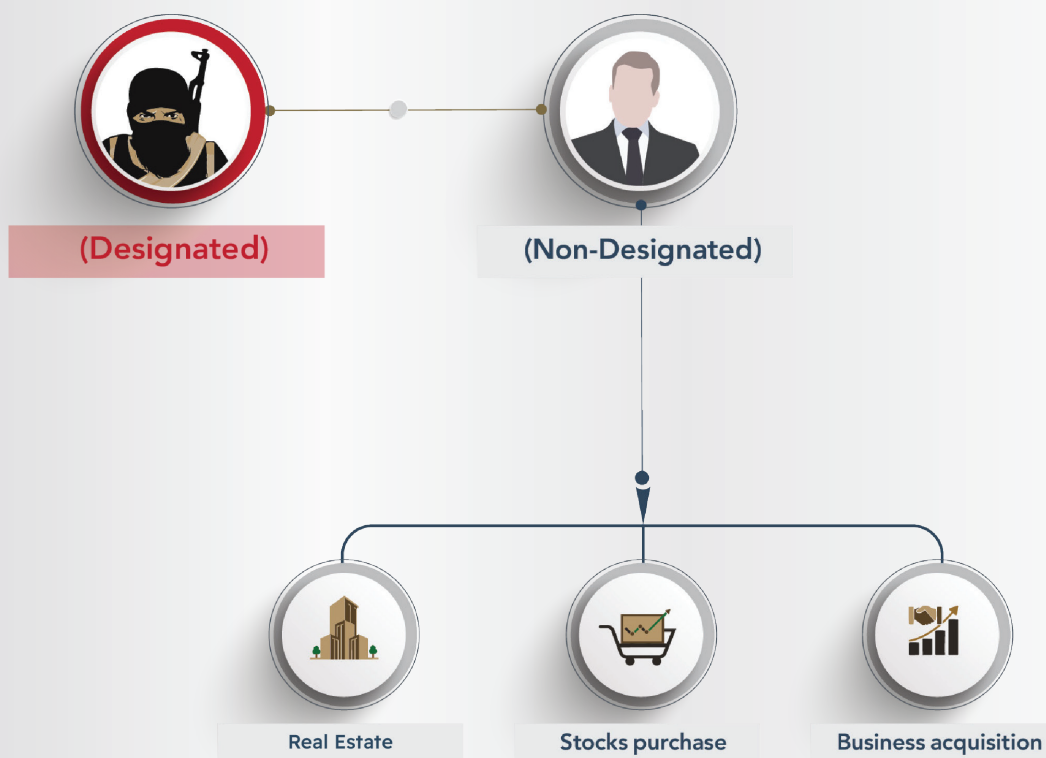
Person A is designated in the Sanctions Lists and has a power of attorney to act on behalf of Person B and is also the authorized signatory. The funds and other assets of Person B must be frozen without delay since the power of attorney and authorized signatory arrangement is evidence that Person A possesses control over the funds or other assets of Person B.

Important: If an FI, DNFBP, or VASP implements freezing measures based on the 'control' criteria, it must rely on evidence-based documentation (e.g. legal agreements, guarantor agreement, provision in the Articles of Association, power of attorney or authorized signatory, etc.) that proves that the designated person exerts control over the legal entity. Freezing measures must not be applied relying on suspicion only.

Acting on Behalf or at the Direction of

FIs, DNFBPs, and VASPs are required to implement targeted financial sanctions on individuals or entities **acting on behalf or at the direction of** designated persons. The relationship to act on behalf or at the direction of designated persons must be evidenced by legal documentation, such as a power of attorney or authorized signatory.

Example: Person A is designated in the Sanctions Lists. Person B has a power of attorney to act on behalf of Person A and runs an asset management company where Person A is the beneficial owner. The funds and other assets of Person B must be frozen without delay since the power of attorney is evidence that Person B is acting on behalf or at the direction of designated Person A.



Important: If an FI, DNFBP, or VASP implements freezing measures based on the 'acting on behalf or at the direction of' criteria, it must rely on evidence-based documentation (e.g. power of attorney, authorized signatory, etc.) that proves that the individual or entity is acting on behalf or at the direction of the designated person. Freezing measures must not be applied relying on suspicion only.

Section 6: Enforcement of TFS

Consequences for FIs, DNFBPs, and VASPs

Any Person, found to violate and/or be in non-compliance with the obligation in the Cabinet Decision No. 74 of 2020 or failing to implement procedures to ensure compliance may face imprisonment of no less than one year and no more than seven years and/or a fine of no less than AED 50,000 (fifty thousand dirham) and no more than AED 5,000,000 (five million dirham).

In addition, FIs, DNFBPs, and VASPs are subject to supervision, and in the case of identified non-compliance, Supervisory Authorities can apply the enforcement actions set out under Article (14) of Federal Decree No. 26 of 2021 Amending Certain Provisions of Law No. 20 for 2018 on Anti-Money Laundering and Countering the Financing of Terrorism. The Supervisory Authorities of the FIs, DNFBPs, and VASPs have the legal capacity to supervise the implementation of TFS. The Supervisory Authorities may also issue the following administrative sanctions:

- a. Letter of warning.
- b. Administrative penalties of no less than AED 50,000 (fifty thousand dirham) and no more than AED 5,000,000 (five million dirham) for each violation.
- c. Banning the violator from working in the sector related to the violation for the period determined by the Supervisory Authority.
- d. Constraining the powers of the board members, supervisory or executive management members, managers or owners who are proven to be responsible of the violation including the appointment of a temporary inspector.
- e. Suspend managers, board members and supervisory and executive management members who are proven to be responsible for the violation for a period to be determined by the Supervisory Authority or request their removal.
- f. Suspend or restrict the activity or the profession for a period to be determined by the Supervisory Authority.
- g. Cancel the License.

Exemption from Liability in Case of Good Faith TFS Implementation

An FI, DNFBP, or VASP who, in good faith, freezes funds or other assets, denies disposal thereof, or refuses to provide financial services relating to designated individuals, entities, or groups, or declined to perform any other obligation (including reporting obligations) in compliance with the provisions of Cabinet Decision No. 74 of 2020 shall be exempt from any damages or claims, resulting from such actions, including penal, civil, and/or administrative liability.

Section 7: Requesting an Exemption or Permission to Access Frozen Funds or Other Assets

Frozen Funds or Other Assets due to the Local Terrorist List

An individual, entity, or group designated in the Local Terrorist List, or his/her legal representative, and any stakeholder may request access to all or part of the frozen funds or other assets for any of the following purposes:

- a. To cover **necessary** or **basic** expenses (including for humanitarian needs), such as the amounts payable for foodstuffs, rent, mortgage, medicine, medical treatment, insurance premiums, educational and judicial fees, and public utility fees.
- b. To pay **professional fees** and costs relating to rendered legal services and other **extraordinary expenses** within reasonable limits, or services relating to safekeeping or management of frozen funds or other assets.

The procedure to request permission to use the frozen funds or other assets is the following:

1. Send a written request to access all or part of the frozen funds or other assets accompanied with all supporting documents to the EOCN by email to iec@uaeiec.gov.ae.
 - o Follow the procedures and attach all supporting documents to substantiate your claim, as stated at <https://www.uaeiec.gov.ae/en-us/un-page>
2. The EOCN will send the request to the Ministry of Justice for its consideration in coordination with the Supreme Council.
3. The Ministry of Justice may approve or reject the use of the frozen funds or other assets, in part or in whole.
4. The EOCN will notify the applicant, in writing, of the approval or rejection of the request.

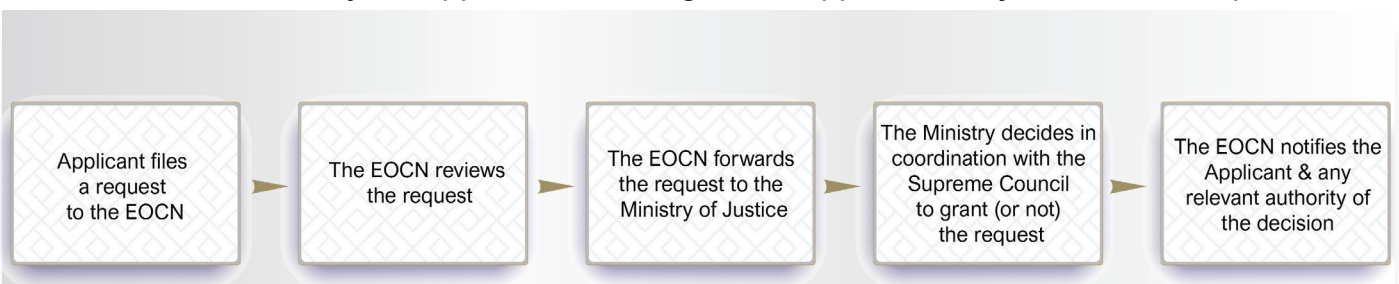


Exhibit 1: Procedure to request permission to use funds or other assets subject to Local Terrorist List

Grievances to the court

In case the application is rejected, or if no response to it is received after 30 days from the date of its submission, the applicant may file a grievance before the Competent Court within 30 days from the date when he/she was notified of the rejection, or after the response period of 30 days has elapsed.

The applicant may not appeal against the rejection of the request until a grievance against it is duly filed and rejected, or the period for responding to it has elapsed, and the applicant has notified the EOCN and Competent Court of its intention to appeal the ruling.

Frozen Funds or Other Assets due to the UN Consolidated List

Any individual, entity, or group affected by a freezing measure may submit a written request to unfreeze all or part of the funds or other assets to the EOCN. This request must be submitted by the affected person or his/her legal representative, accompanied by all supporting documents.

1. To cover basic expenses:

The EOCN may consider a request for access to funds or other assets frozen as per the UN Consolidated List, in the following cases:

- a. To cover **necessary** or **basic** expenses (including for humanitarian needs), such as the amounts payable for foodstuffs, rent, mortgage, medicine, medical treatment, taxes, insurance premiums, educational and judicial fees, and public utilities fees.
- b. To pay **professional fees** and costs relating to rendered legal services within reasonable limits or services relating to safekeeping or management of frozen funds.

The procedure to request permission to access the frozen funds or other assets is the following:

1. Submit a written request to the EOCN by email iec@uaeiec.gov.ae accompanied with all supporting documents.
 - o Follow the procedures and attach all supporting documents to substantiate your claim stated in <https://www.uaeiec.gov.ae/en-us/un-page>
2. The EOCN reviews the request.
3. The EOCN notifies the relevant UNSC Sanctions Committee of its intention to approve the request.
4. The EOCN may decide to grant the request upon no objection or other notification from the UNSC or relevant UNSC Sanctions Committee.
5. The EOCN notifies the applicant and the relevant Supervisory Authority.



Exhibit 2: Procedure to request permission to use funds subject to the UN Consolidated List for the purposes of basic expenses

The EOCN may revoke the decision to use funds or other assets frozen at any time and when having reasonable grounds for a suspicion that the funds are used for any purpose other than permitted, in writing, in the approved application request.

2. To cover extraordinary expenses

The EOCN may forward the request to the relevant UNSC Sanctions Committee to access funds frozen as per the UN Consolidated List, in the following cases:

- To cover **extraordinary** expenses, other than those mentioned under the basic expenses section above.

The EOCN will notify the relevant UNSC Sanctions Committee of the request to approve the submitted application and may only approve such request upon obtaining a written approval from the UNSC Sanctions Committee. In the absence of a written approval, the EOCN will not grant the request.

The EOCN will notify in writing the applicant or his/her legal representative of the decision to enable use of the frozen funds.

The procedure to request permission to access the frozen funds is the following:

1. Submit a written request to the EOCN through email to iec@uaeiec.gov.ae accompanied with all supporting documents.
 - o Follow the procedures and attach all supporting documents to substantiate your claim stated in <https://www.uaeiec.gov.ae/en-us/un-page#>
2. The EOCN reviews the request.
3. The EOCN forwards the request to the relevant UNSC Sanctions Committee.
4. The UNSC Sanctions Committee decides on the requests and notifies the EOCN.
5. The EOCN notifies the applicant and the relevant Supervisory Authority.

The EOCN may revoke the decision to use funds frozen under the Sanctions Lists at any time and when having reasonable grounds for a suspicion that the funds are used for financing terrorism or financing proliferation of weapons of mass destruction.



Exhibit 3: Procedure to request permission to use funds or other assets subject to the UN Consolidated List for the purposes of extraordinary expenses

Grievances to the court

If the application for use of funds frozen under the Sanctions Lists is rejected or remains without response for thirty (30) days from date of its submission, the applicant may file a grievance before the Competent Court within sixty (60) days from the date on which he/she was notified of the rejection of the application, or after the response period elapses.

The Court's decision on the grievance may not be appealed, and if the court rules to reject the grievance, a new grievance may only be filed after six (6) months from the date of rejection of the grievance, unless a serious reason that is accepted by the President of the Court arises before the expiry of such period.

An appeal against a decision to refuse the use of frozen funds shall not be accepted before a grievance against it is filed and rejected, or before the period given to respond expires.

Section 8: Procedure to Cancel or Lift the Freezing Measures

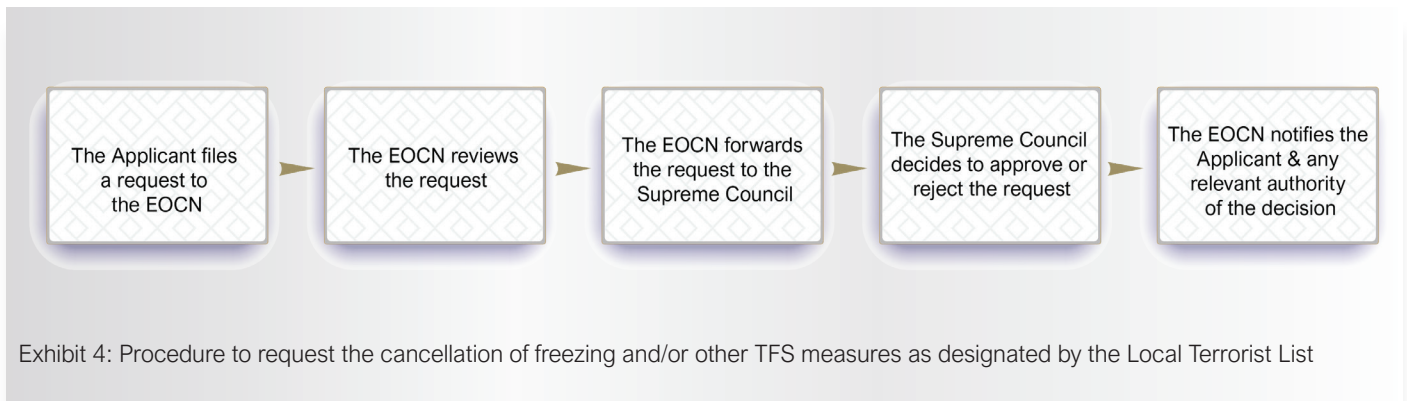
Freezing procedures and Other Measures may be lifted when taken against an individual, entity, or group who was adversely affected under the following situations:

- An individual, entity, or group that has a name identical or similar to a designated individual, entity, or group;
- The designated individual, entity, or group has been removed from the list by the relevant authorities; or
- The individual, entity, or group is a third party acting in good faith who has been adversely or wrongly affected by the freezing measures.

Frozen Funds or Other Assets due to the Local Terrorist List

The procedure for cancellation of freezing and any Other Measures taken against an individual, entity, or group with a name identical or similar to an individual, entity, or group designated, or the person who has been adversely affected by the freezing or any of the Other Measures due to being designated in the Local Terrorist List, is the following:

1. Submit a written application to the EOCN accompanied with all supporting documents to the email: iec@uaeiec.gov.ae.
 - o Follow the procedures and attach all supporting documents to substantiate your claim stated online at <https://www.uaeiec.gov.ae/en-us/un-page>
2. The EOCN reviews the request and forwards it to the Supreme Council for its decision.
3. The EOCN notifies the applicant and the relevant Supervisory Authority.



Grievances to the court

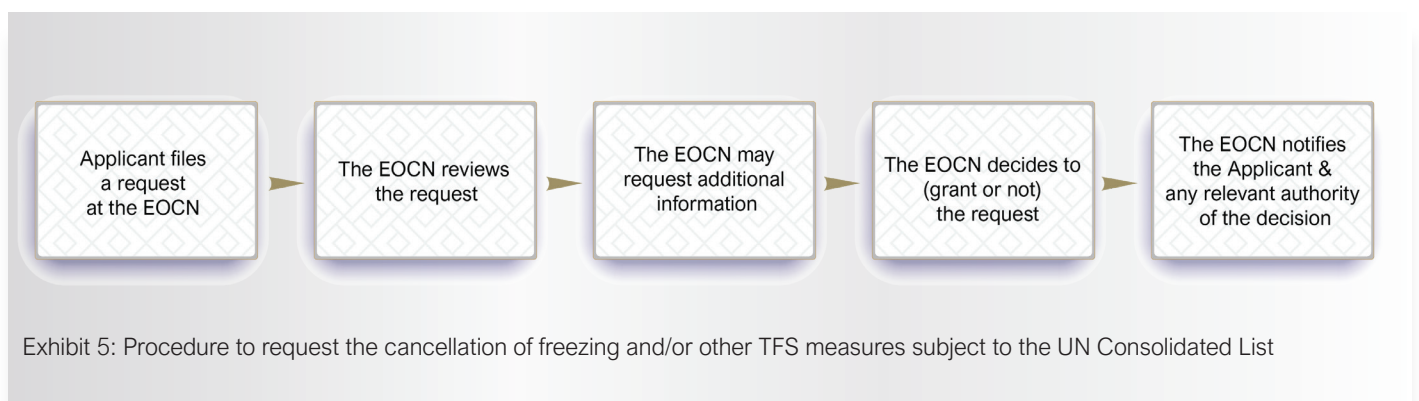
If the application is rejected by the Supreme Council, or if no response to the application is received within thirty (30) days from date of its submission, the applicant may file a grievance before the Competent Court within sixty (60) days from the date of notification of the rejection, or after the response period has elapsed.

The court's decision on the grievance may not be appealed, and if the court rules to reject the grievance, a new grievance may only be filed after six (6) months from the date of rejection of the grievance, unless a serious reason that is accepted by the President of the Court arises before the expiry of such period.

Frozen Funds or Other Assets due to the UN Consolidated List

The procedure for cancellation of freezing and any Other Measures taken against an individual, entity, or group with a name identical or similar to an individual, entity, or group designated, or the person who has been adversely affected by the freezing or any of the Other Measures due to being designated in the UN Consolidated List, is the following:

1. Submit a written application to the EOCN accompanied with all supporting documents.
 - o Follow the procedures and attach all supporting documents to substantiate your claim stated in <https://www.uaieic.gov.ae/en-us/un-page>
2. The EOCN reviews the request and decides whether to grant the request.
3. The EOCN notifies the applicant and the relevant Supervisory Authority.



Grievances to the court

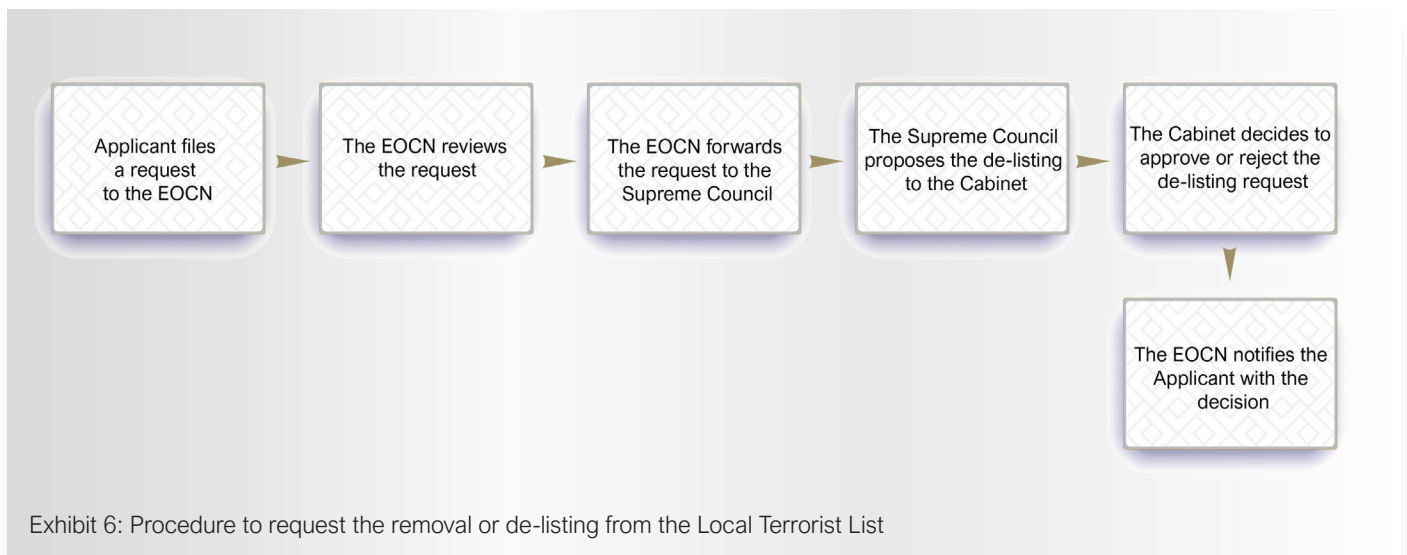
If the request to lift freezing and Other Measures is rejected or remains without a response for thirty (30) days from the date of its submission, the applicant may file a grievance before the Competent Court within sixty (60) days from the date on which he/she was notified of the rejection of the request, or after the response period elapses.

The court's decision regarding the grievance shall not be subject to appeal. If a grievance is rejected, a new grievance may only be submitted after six (6) months from the date of rejection of the previous grievance, unless a serious reason that is accepted by the President of the Court arises before the expiry of such period.

Section 9: Requesting the Removal or De-listing of a Designation from the Local Terrorist List

Any individual, entity, or group designated in the Local Terrorist List can submit a grievance against the designation decision. The request for removal can also apply for:

- A deceased individual; or
 - An entity that no longer exists.
1. Submit an application to the EOCN, attaching thereto all documents supporting the grievance.
 - o Attach all supporting documents to substantiate your claim by email to iec@uaeiec.gov.ae
 2. The EOCN shall refer the request to the Supreme Council.
 3. The Supreme Council communicates the request to the Cabinet for its decision.
 4. The EOCN notifies the applicant and relevant authorities.



Grievances to the court

In case the grievance was rejected or remains without a response for sixty (60) days from date of its submission, the grievant may challenge the Cabinet's designation decision before the Competent Court within sixty (60) days from the date he was notified of the rejection or lapse of the response period.

The court's decision regarding the grievance shall be incontestable. If a grievance was rejected, a new grievance may only be submitted after the lapse of six (6) months from date of rejection of the previous grievance, unless a serious reason acceptable to the President of the Court arises before expiry of such period.

Section 10: Requesting the Removal or De-listing of a Designation from the UN List

Any individual, entity, or group designated by the UNSC can submit a request for removal from the UN Consolidated List to the applicable UNSC Sanctions Committee, following the procedures for submitting de-listing requests pursuant to each UNSC Sanctions Committee.

Individuals, entities, or groups designated in UNSC Sanctions Lists can submit de-listing requests directly to the **Focal Point for De-listing** (except for designated individuals, entities, or groups inscribed on the list of the 1267/1989/2253 Committee (“the ISIL (Da’esh) and Al-Qaida Sanctions List”). Designated individuals or entities seeking to de-list from the Security Council’s ISIL (Da’esh) and Al-Qaida Sanctions List must submit their petition to **The Office of the Ombudsperson**.

De-listing procedures include, for example:

- [1718 Sanctions Committee - Democratic People’s Republic of Korea](#)
- [1988 Sanctions Committee - The Taliban, and associates](#)
- [For other UN Sanctions Committees](#)
- [Focal Point for De-listing](#)

De-listing procedures related to ISIL (Da’esh) and Al-Qaida Sanctions include, for example:

- [UNSCR 1267 \(1999\), 1989 \(2011\) de-listing procedure](#)
- [Ombudsperson to the ISIL \(Da’esh\) and Al-Qaida Sanctions Committee](#)

The request for removal can also apply for:

- A deceased individual; or
- An entity that no longer exists.

For detailed procedures on Focal Point De-listing, please visit the UN’s webpage on [Procedures of the Focal Point for De-listing](#) and refer to the informal and unofficial [flowchart](#) that aims to provide a visual guide to the focal point process.

For detailed procedures on de-listing from “the ISIL (Da’esh) and Al-Qaida Sanctions List”, please visit the UN’s webpage on [Procedure for requests for delisting submitted to the Office of the Ombudsperson](#) and refer to the [flowchart](#) for an overview of the procedure.

Contact us

Send an email to contact the Executive Office for Control & Non-Proliferation to iec@uaeiec.gov.ae.

Annex A: Frequency Asked Questions

1. What does ‘targeted financial sanctions’ (“TFS”) mean?

The term targeted sanctions means that such sanctions are imposed against specific individuals, entities, or groups. The term TFS includes both asset freezing without delay and prohibition from making funds or other assets or services, directly or indirectly, available for the benefit of sanctioned individuals, entities, or groups.

2. Why are individuals, entities, or groups designated in the Sanction Lists?

The Sanction Lists include names of individuals, entities, or groups that the UAE or the UN believe are detrimental to national and/or global peace and security. These individuals, entities, or groups are mostly involved in acts of terrorism, terrorism financing, proliferation financing, and violation of international law.

3. What does ‘freezing’ mean?

Freezing means to prohibit the transfer, conversion, or movement of any funds or other assets that are owned or controlled by a designated individual, entity, or group in the Sanctions Lists.

4. What is the difference between ‘freezing’ and ‘suspending’?

Freezing and suspension measures follow the same procedures operationally (both are preventive measures that aim to stop the designated individual, entity, or group from gaining access to funds or other assets).

Suspending indicates that the reporting entity has come across a ‘partial name match’ and is not sure whether the individual, entity, or group is certainly designated. The suspension measures should remain in place until further instructions are received from the Executive Office.

Freezing indicates that the reporting entity has come across a ‘confirmed match’ and the freeze measures must remain in place until the designated individual, entity, or group is de-listed from Sanctions Lists or upon further instructions received from the Executive Office.

5. What does ‘without delay’ mean?

‘Without delay’ means applying freezing measures immediately upon identifying a match to the Sanctions Lists or in any case within 24 hours upon designation of an individual, entity, or group on the Sanctions Lists.

6. What does ‘funds or other assets’ mean?

Any assets, including, but not limited to, financial assets, economic resources (including oil and other natural resources), property of every kind, whether tangible or intangible, movable or immovable, however acquired, and legal documents or instruments in any form, including electronic or digital, evidencing title to, or interest in, such funds or other assets, including, but not limited to, bank credits, travellers cheques, bank cheques, money orders, shares, securities, bonds, drafts, or letters of credit, and any interest, dividends or other income on or value accruing from or generated by such funds or other assets, and any other assets which potentially may be used to obtain funds, goods or services.

7. What is the legal framework for the implementation of TFS in the UAE?

Article 16(e) of Federal Law No. 20 of 2018 (amended by Federal Decree No. 26 of 2021) requires the prompt application of the directives when issued by the competent authorities in the state for implementing the decisions issued by the UN Security Council under Chapter (7) of UN Convention for the Prohibition and Suppression of the Financing of Terrorism and Proliferation of Weapons of Mass Destruction, and other related directives.

In addition, the UAE issued the Cabinet Decision No. 74 of 2020, establishing the framework regarding TFS, including the Local Terrorist List and the UN Consolidated List and the procedures to implement TFS.

8. Who must comply with TFS?

Sanctions restrictions, including TFS measures, must be implemented by any Person (both natural and legal entities), including government authorities and FIs, DNFBPs, and VASPs located in the UAE and operating within the UAE's jurisdiction.

9. Cabinet Decision No. 74 of 2020 requires implementing TFS on which sanctions lists?

The scope of Cabinet Decision No. 74 of 2020 in implementing TFS covers the UAE Local Terrorist List and UN Consolidated List **only**. International sanctions lists are out of the scope of the Cabinet Decision.

10. How can I find out who is a designated individual, entity, or group?

You can find out who are the designated individuals, entities, or groups by checking the updated Sanctions Lists in the links below:

- The link to the UN Consolidated List: <https://www.un.org/securitycouncil/content/un-sc-consolidated-list>
- The link to the Local Terrorist List can be found at the bottom of the Sanctions Implementation webpage on the Executive Office's website: <https://www.uaeiec.gov.ae/en-us/un-page?p=2#>

11. Is there an excel format of the UAE Local Terrorist List?

Yes. The excel format of the UAE Local Terrorist List can be found under the 'Sanctions Implementation' section of the Executive Office's website <https://www.uaeiec.gov.ae/en-us/un-page?p=2#>

12. What actions must FIs, DNFBPs, or VASPs take if funds or other assets of designated individuals, entities, or groups are detected?

In case an FI, DNFBP, or VASP determines that any of the funds or other assets it holds or administers belong to designated individuals, entities, or groups, it shall take the following steps to implement TFS:

- a) Freeze all funds or other assets without delay, and any funds or other assets derived or generated from such funds or other assets, without providing any notice to the customer or potential customer prior to taking the freezing measures.

- b) Refrain from providing any financial or other services or from providing funds or other assets to or for the benefit of a designated individual, entity, or group.
- c) Report to the Executive Office and the relevant Supervisory Authority within five days of the freezing measures taken through goAML, including information on the status of and any action taken with respect to assets, the nature of assets and amount of assets frozen, and any other information that is relevant to or would facilitate compliance with Cabinet Decision No. 74 of 2020.
- d) Fully cooperate with the Executive Office and the relevant Supervisory Authority in verifying the accuracy of the information provided.

13. What if my customer's name does not match the name of the designated individual or entity?

In case of a 'partial name match' with a designated individual or legal entity, an FI, DNFBP, or VASP must first conduct an internal check on whether the partial name match is a designated person. If the FI, DNFBP, or VASP is satisfied that the 'partial name match' is not an individual or entity subject to TFS ('false positive result') after conducting the internal check, then it can allow for the business relationship to proceed while keeping an internal record of the case.

If the FI, DNFBP, or VASP is unable to verify whether the 'partial name match' is a confirmed match or a false positive, then it must suspend any transaction and report it to the Executive Office by submitting a PNMR through goAML. The suspension measures must remain in place until further instructions are received from the Executive Office.

14. If I identify a confirmed or partial name match, how should I report it?

If you identify a confirmed match, you must freeze without delay and report by submitting a **Funds Freeze Report (FFR)** through goAML. The FFR must include details on the type and amounts of funds or other assets frozen, ID documents of the confirmed match, and any other supporting documents.

If you identify a partial name match, you must suspend without delay and report by submitting a **Partial Name Match Report (PNMR)** through goAML. The PNMR must include details on the type and amounts of funds or other assets suspended, ID documents of the partial name match, and any other supporting documents.

15. Do I need to report confirmed or partial name matches separately to my Supervisory Authority?

No. FFRs and PNMRs submitted through goAML are received simultaneously by the Executive Office and your relevant Supervisory Authority.

16. Should I report previous transactions or business dealings with confirmed or partial name matches?

Yes. You must report any previous transactions of designated persons, even if you do not currently hold any funds or other assets or provide any services to the designated person.

The FFR or PNMR must clearly state that no funds or other assets are currently held, and no services are currently being provided to the designated person.

If the designated person has never conducted a transaction with or through you, or you have never held any funds or other assets of the designated person, or you have never provided any products or services assets to the designated person during the life of the business relationship, this should be made clear.

17. Am I under an obligation to register in goAML?

Any Person (natural or legal) that performs activities which fall under the definition of FIs, DNFBPs, or VASPs as per UAE legislation **has an obligation to register on goAML** to be able to submit suspicious transactions/activity reports (STRs/SARs) to the UAE FIU, as well as to submit TFS reports (FFRs/PNMRs) to the Executive Office and the relevant Supervisory Authority.

FIs and DNFBPs that are not registered on goAML face the risk of being subject to administrative and/or financial sanctions by the relevant Supervisory Authority for failure to register on goAML.

Please contact your relevant Supervisory Authority and the UAE FIU for instructions on how to register.

18. How should I report a confirmed or partial name match if I am not a goAML user?

If you identify a confirmed or partial name match, and you are not a goAML user (Persons that do not fall under the definition of FIs, DNFBPs, or VASPs and are therefore not under an obligation to register on goAML), then you must report it by sending an email to the Executive Office on iec@uaeiec.gov.ae with details of the case and attaching all supporting documentation.

Registered goAML users must always report a confirmed or partial name match using goAML.

19. If I identify that a customer is subject to international sanctions, however, the customer is not listed on the UAE Local Terrorist List nor the UN Consolidated List. Should I report it by raising an FFR or PNMR?

No. FFRs and PNMRs are used only to report confirmed or partial name matches to the UAE Local Terrorist List or the UN Consolidated List.

For designations on international sanctions lists (e.g., OFAC, UKHMT, EU, etc.), follow the instruction of your relevant Supervisory Authority on how to deal with matches to international sanctions lists.

20. What are the consequences in case of a failure to comply with the obligations set out in Cabinet Decision No. 74 of 2020, other applicable legislation and this guidance note?

Any Person, found to violate and/or be in non-compliance with the obligation in the Cabinet Decision No. 74 of 2020 or failing to implement procedures to ensure compliance may face imprisonment of no less than one year and no more than seven years and/or a fine of no less than AED 50,000 (fifty thousand dirham) and no more than AED 5,000,000 (five million dirham).

In addition, Supervisory Authorities can impose appropriate administrative sanctions (e.g., ranging from warning letter to license cancellation) when there is a violation or shortcoming in implementing TFS obligations.

21. Can I be held liable for freezing funds of a designated individual or entity based on the Cabinet Decision?

The Cabinet Decision clearly states that any individual or entity is exempted from criminal, administrative, or civil liability if a freezing measure is carried out in good faith and for the purpose of complying with the provisions of the Cabinet Decision.

Thus, as long as the freezing measures were taken based on the belief that the relevant funds are targeted funds, the individual or entity, FI, DNFBP, or VASP is exempted from any liability resulting from such freezing measure even if it later turns out that the frozen funds are in fact not targeted by the Cabinet Decision.

At the same time, FIs, DNFBPs, and VASPs shall note that the criminal sanctions may apply to any Person who violates or fails to comply with the freezing obligation. Accordingly, both intentional and gravely negligent conduct resulting in the lack of application of a freezing measure may trigger administrative sanctions and/or criminal liability.

22. Can permission be obtained to access frozen assets by the designated individual or entity?

For the UN Consolidated List, the Executive Office, in limited circumstances, may permit access to frozen funds based on a request by the designated individual or entity. The applicant will, in such case, receive a written statement from the Executive Office stating the amount and conditions of access to the assets.

For the Local Terrorist List, the Ministry of Justice may permit access to frozen funds in some limited circumstances based on a request by the designated individual or entity or any affected third party. The applicant will, in such case, receive a written statement from the Ministry of Justice stating the amount and conditions of access to the assets.

23. May I permit transfers to be made into frozen accounts, and if so, which ones are subject to what conditions?

The Cabinet Decision provides that FIs, DNFBPs, or VASPs may credit frozen accounts with interest or other earnings on those accounts; or with payments due under contracts, agreements, or obligations that were concluded or arose before the date on which the individual or entity was designated, provided that any additions to such accounts shall also be frozen.

The Executive Office and the relevant Supervisory Authority must be notified about such transactions by submitting an FFR through goAML with information and supporting documentation on the additional amounts added to the account.

24. How can I determine whether I am in possession of targeted funds?

FIs, DNFBPs, and VASPs are responsible for having in place effective processes, policies and procedures to implement the provisions of the Cabinet Decision No. 74 of 2020. This involves frequently checking customer databases and any information obtained on potential or existing customers against Sanctions Lists to determine whether an FI, DNFBP, or VASP possesses or administers funds for designated individuals or entities. The obligation by FIs, DNFBPs, and VASPs to freeze funds of designated individuals or entities applies immediately after a designation is published by the UAE Cabinet on the Local Terrorist List or by the UNSC in its Consolidated List.

Failure by an FI, DNFBP, or VASP to apply freezing measures, immediately or in any case within 24 hours after a designation has been made, or otherwise provide funds or services to or for the benefit of a designated individual or legal entity, constitutes a breach of UAE law and may result in the application of both financial sanctions and imprisonment as set out in the Cabinet Decision.

Some FIs, DNFBPs, and VASPs rely on externally provided screening services (e.g., World Check) and other providers to verify that their clients are not subject to any sanctions. It is important to note in this regard that such online services are useful but should not be viewed as an absolute guarantee of compliance with the obligations under the Cabinet Decision. Additional periodic checks against the designations made in the Sanctions Lists must be carried out.

25. When and how often do I have to conduct screening?

FIs, DNFBPs, and VASPs must undertake regular and ongoing screening on the latest Local Terrorist List and UN Consolidated List. Screening must be undertaken in the following circumstances:

- a. Upon any updates to the Local Terrorist List or UN Consolidated List. In such cases, screening must be conducted immediately and without delay to ensure compliance with implementing freezing measures without delay (within 24 hours).
- b. Prior to onboarding new customers.
- c. Upon KYC reviews or changes to a customer's information.
- d. Before processing any transaction.

FIs, DNFBPs, and VASPs are also required to identify, assess, monitor, manage and mitigate terrorist and proliferation financing risks, particularly sanctions-related risks. The internal screening process must take into account such a risk assessment. Where there are higher risks, FIs, DNFBPs, and VASPs should take commensurate measures to manage and mitigate the risks, including applying enhanced screening measures. Correspondingly, where the risks are lower, they should ensure that the screening measures are commensurate with the lower level of risk. **FIs, DNFBPs, and VASPs must ensure full implementation of targeted financial sanctions in any risk scenario.**

26. How long do I have to keep funds frozen?

The Cabinet Decision does not limit the timeframe for any given freezing measure. Accordingly, the obligation to keep funds frozen could apply indefinitely in some cases.

FIs, DNFBPs, and VASPs are required to lift the freezing measures if the name of a designated individual or entity is removed from the Sanctions Lists.

27. What shall I do if my name is similar to a designated person?

In case freezing measures were taken in relation to funds of a person that has the same (or similar) name as a designated individual or entity but who is in fact not the same person, such person can send a request to lift the freezing measures to the Executive Office.

Such a request should include a grievance letter addressed to the Executive Office of Committee for Goods & Materials Subjected to Import & Export Control and other supporting documents (such as ID documents) and should be sent to the Executive Office by email through iec@uaeiec.gov.ae

28. Is my Supervisory Authority going to check compliance with the Cabinet Decision in the course of their onsite inspections?

The Cabinet Decision No. 74 of 2020 provides that FIs, DNFBPs, and VASPs are under an obligation to have in place adequate processes, policies and procedures, including resourcing thereof, to verify that they are complying with all aspects of the relevant Cabinet Decisions. Supervisory Authorities will verify compliance by FIs, DNFBPs, and VASPs with this obligation during their supervisory activities. A failure to have in place such procedures may result in the application of criminal as well as supervisory sanctions as stipulated in the Cabinet Decision.

29. Are Politically Exposed Persons (PEPs) part of the scope of implementing targeted financial sanctions (TFS)?

No. Obligations to implement TFS are exclusively on the individuals, entities, and groups that are designated on the Sanctions Lists (regardless of whether they are considered as PEPs).

30. Should we conduct screening for Politically Exposed Persons (PEPs)?

PEPs are out of the scope of Cabinet Decision No. 74 of 2020 and you are advised to follow your Supervisory Authority guidance and other best practices on the customer due diligence required when dealing with PEPs, including on screening.

31. Is notifying the customer after implementing freezing measures considered as “tipping off”?

No. FIs, DNFBPs, and VASPs may notify their customers after the freezing measures have been implemented. As long as the customer is notified **after** the freezing measures have been taken, it is not considered as tipping off.

However, FIs, DNFBPs, and VASPs must not inform their customers prior to taking the freezing measures.

32. What should I do if one of my customers is affected by a freezing measure?

You should notify the customer of the Grievances and Requests process as reflected on the Executive Office’s website.

Annex B: EOCN Notification / Alert System Subscription Guide

Simple Guide to Subscribe to Sanctions Lists

Introduction

The UAE recognizes two Sanctions Lists:

The UAE Local Terrorist List issued by the UAE Federal Cabinet

The United Nations Consolidated List issued by the United Nation Security Council

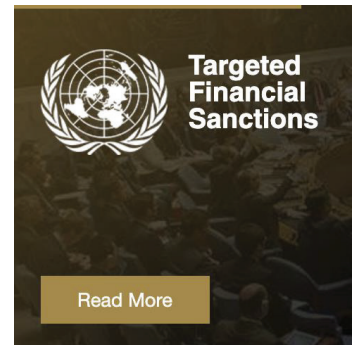
Both Lists Are Being Updated Periodically By The Issuing Authorities

Accessing the Lists

The United Nation Consolidated List and UAE Local Terrorist List can be accessed from the Executive Office's website

<https://www.uaeiec.gov.ae/en-us/un-page>

To receive updates on both Sanctions Lists, please subscribe to the Executive Office mailing list

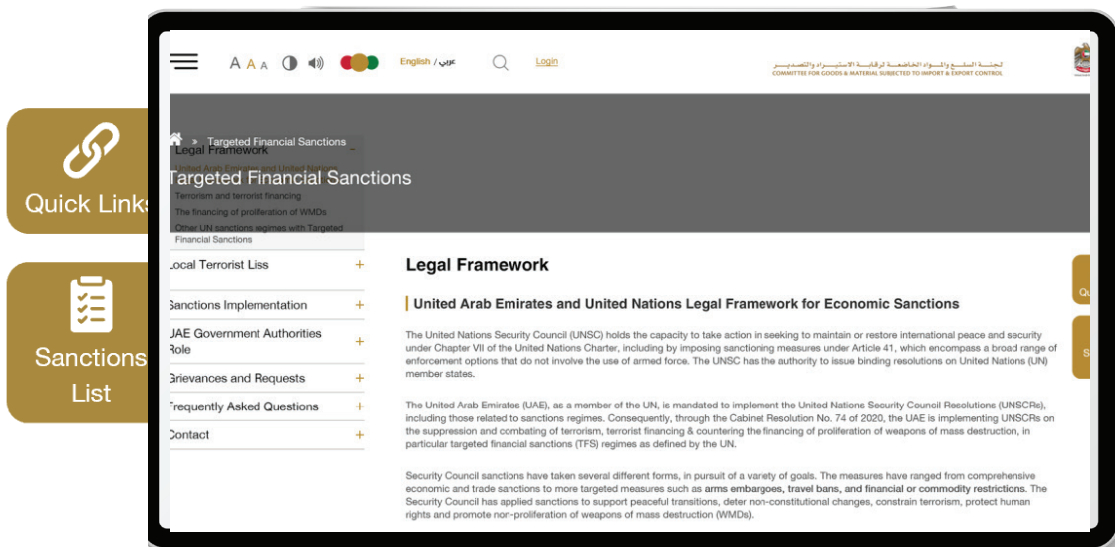


Subscribe to the Sanctions List (1/3)

Step 1: Access the following link <https://www.uaeiec.gov.ae/en-us/un-page>

Step 2: Navigate to “Sanction List” in the quick links section

Step 3: Click on Subscribe



Subscribe to the Sanctions Lists (2/3) :

Step 4 : Fill the Form

Subscribe to Targeted Financial Sanctions

All fields with (*) sign, are mandatory

Individual Company

Personal Name Arabic *

Personal Name English *

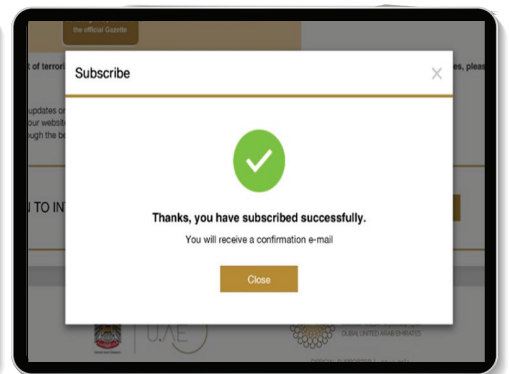
Type of Business
-- Choose --

Subscriber Email *

Subscribe Close

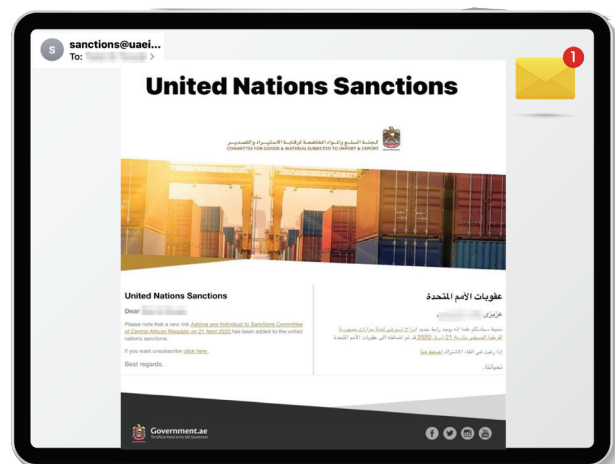
Subscribe to he Sanctions Lists (3/3) :

Step 5: Submit the information by clicking “Subscribe”. Subscribers will receive a confirmation email automatically after the subscription.



Update Notification

Upon any update on the UAE Local Terrorist List or the UN Consolidated List, all users will receive a notification of the update through email.



Document Version Update

Date: 07 November 2021

Section	Update
Full Document	Updated to include Virtual Asset Service Providers (VASPs)
Section 1	Updated legal framework to include Federal Decree No. 26 of 2021 Amending Certain Provisions of Law No. 20 for 2018 on Anti-Money Laundering and Countering the Financing of Terrorism
Section 3	Revised definition of “funds or other assets” as per FATF Standards
Section 4	<ul style="list-style-type: none"> Updated definition on ‘confirmed match, ‘potential match’, and ‘false positive’ Updated TFS screening and reporting procedures
Section 5	Revised section on ownership, control, and acting on behalf or at the direction of
Section 6	Enforcement updated as per Article 28 of Federal Decree No. 26 of 2021
Section 10	Updated procedure for submitting de-listing request from UN List
Annex A	Updated FAQs
Annex B	Added EO Notification System Subscription Guide

Date: 01 September 2022

Full Document	<ul style="list-style-type: none"> Updated Executive Office for Control & Non-Proliferation (EOCN) name Amended terminology of ‘potential match’ to ‘partial name match’
Section 4	<ul style="list-style-type: none"> Added definition and example on ‘negative result’ Added reference to EOCN’s typologies document and CPF guidance.

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