

Decree Federal law No. (20) of 2018

ON ANTI-MONEY LAUNDERING AND COMBATING THE FINANCING OF TERRORISM AND ILLEGAL ORGANISATIONS

We, Khalifa Bin Zayed Al Nahyan, President of UAE,

Pursuant to the perusal of the Constitution,

- Federal Law no. (1) of 1972 on Competencies of the Ministries and Powers of the Ministers and its amendments;
- Federal Law no. (6) of 1985 on Islamic Banks, Financial Institutions and Investment Companies;
- Federal Law no. (3) of 1987 issuing the Penal Code and its amendments,
- Federal Law no. (35) of 1992 issuing the Penal Procedures Code and its amendments;
- Federal Law no. (14) of 1995 on Fighting Narcotics and Psychotropic Substances and its amendments;
- Federal Law no. (4) of 2000 on the Emirates Securities and Commodities Authority and Market and its amendments;
- Federal Law no. (4) of 2002 on the criminalization of money laundering and its amendments;
- Federal Law no. (8) of 2004 on the Financial Free Zones;
- Federal Law (13) of 2004 on the Supervision of Import, Export and Transit of Rough Diamonds and its amendments;
- Federal Law no. (1) of 2006 on the Electronic Commerce and Transactions;
- Federal Law no. (39) of 2006 on the International Judicial Cooperation on Criminal Matters;
- Federal Law no. (51) of 2006 Combating Crimes of Human Trafficking and its amendments;

- Federal Law no. (6) of 2007 on the Establishment of the Insurance Authority and the Regulation of its Operations and its amendments;
- Federal Law no. (2) of 2008 on the National Societies and Associations of Public Welfare;
- Federal Law no. (6) of 2010 on the Credit Information;
- Federal Law no. (5) of 2012 on the Prevention of Information Technology Crimes and its amendments;
- Decree Federal Law no. (5) of 2013 on Weapons, Ammunitions, Explosives and Military Equipment;
- Federal Law no. (7) of 2014 on Combating Terrorism Offences;
- Federal Law no. (2) of 2015 on Commercial Companies and its amendments;
- Federal Law no. (8) of 2015 on the Federal Customs Authority;
- Federal Law no. (11) of 2015 on the Supervision of Trading and Stamping of Precious Metals and Stones;
- Federal Law no. (7) of 2017 on Tax Procedures;
- Decree Federal Law no. (7) of 2017 on Excise Tax;
- Decree Federal Law no. (8) of 2017 on the Value Added Tax;
- Decree Federal Law no. (14) of 2018 regarding the Central Bank and the Organisation of Financial Institutions and Activities;

And based on the proposal made by the Minister of Finance and the approval of the Cabinet,

Have issued the following Decree law:

Article (1)

In application of the provisions of the present Decree law, the following terms and expressions shall have the following meanings assigned to them unless the context requires otherwise:

- **State:** United Arab Emirates.

- **Ministry:** Ministry of Finance.
- **Minister:** Minister of Finance.
- **Central Bank:** Central Bank of the UAE.
- **Governor:** Governor of Central Bank.
- **Committee:** National Committee for Anti-Money Laundering and Combating the Financing of Terrorism and Illegal Organisations.
- **FIU:** Financial Intelligence Unit.
- **Supervisory Authority:** Federal and local authorities which are entrusted by legislation to supervise Financial Institutions, Designated Non-Financial Businesses and Professions 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 legislations.
- **Law-Enforcement Authorities:** Federal and local authorities, which are entrusted under applicable legislation to combat, search, investigate and collect evidences on the crimes including ML/FT and financing illegal organisations crimes.
- **Competent Authorities:** The competent government authorities in the State entrusted with the implementation of any provision of this Decree law.
- **Predicate Offence:** Any act constituting a felony or misdemeanour under the applicable laws of the State whether this act is committed inside or outside the State when such act is punishable in both countries.
- **Money Laundering:** Any of the acts mentioned in Clause (1) of Article (2) of the present Decree law.
- **Financing of Terrorism:** Any of the acts mentioned in Articles (29 and 30) of Federal Law no. (7) of 2014.
- **Illegal Organisations:** Organisations whose establishment is criminalized or which pursue a criminalized activity.

- **Financing Illegal Organisations:** Any physical or legal action aiming at providing funding to an illegal organisation, or any of its activities or its members.
- **Crime:** Money laundering crime and related predicate offences, or financing of terrorism or financing of illegal organisations.
- **Funds:** Assets in whatever form, whether tangible or intangible, movable or immovable including national currency, foreign currencies, documents or notes evidencing the ownership of those assets or associated rights in any form including electronic or digital forms or any interests, profits or income originating or earned from these assets.
- **Proceeds:** Funds generated directly or indirectly from the commitment of any felony or misdemeanour including profits, privileges, and economic interests, or any similar funds converted wholly or partly into other funds.
- **Instrumentalities:** Any item used or intended to be used in any way to commit a felony or misdemeanour.
- **Suspicious Transactions:** Transactions related to funds for which there are reasonable grounds to suspect that they are earned from any felony or misdemeanour, related to the financing of terrorism or of illegal organisations, whether committed or attempted.
- **Freezing or seizure:** Temporary restriction over the moving, conversion, transfer, replacement or disposition of funds in any form, by an order issued by a Competent Authority.
- **Confiscation:** Permanent expropriation of private funds or proceeds or instrumentalities by an injunction issued by a competent court.
- **Financial institutions:** Anyone who conducts one or several of the activities or operations defined in the Executive Regulation of the present Decree law for the account of /or on behalf of a customer.
- **Designated Nonfinancial Businesses and Professions:** Anyone who conducts one or several of the commercial or professional activities defined in the Executive Regulation of this Decree Law.
- **Non-Profit Organisations:** Any organized group, of a continuing nature set for a temporary or permanent time period, comprising natural or legal persons or not for profit legal arrangements for the purpose of collecting, receiving or disbursing funds for charitable, religious, cultural, educational, social, communal or any other charitable activities.

- **Legal Arrangement:** A relationship established by means of a contract between two or more parties which does not result in the creation of a legal personality such as trust or other similar arrangements.
- **Customer:** Anyone involved in or attempts to carry out any of the activities specified in the Executive Regulations of this Decree Law with one of the Financial Institutions or Designated Nonfinancial Businesses and Professions.
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- **Beneficial Owner:** The natural person who owns or exercises effective ultimate control, directly or indirectly over a Customer, or the natural person on whose behalf a Transaction is being conducted or, the natural person who exercises effective ultimate control over a legal person or Legal Arrangement
- **Transaction:** All disposal or use of Funds or proceeds including for example: deposits, withdrawals, conversion or transfer, sales, purchases, lending, swap, mortgage, and donation.
- **Registrar:** The entity in charge of supervising the register of commercial names for all types of establishments registered in the State.
- **Customer Due Diligence (CDD):** The process of identifying or verifying the information of a Customer or Beneficial Owner, whether a natural or legal person or a legal arrangement, and the nature of its activity and the purpose of the business relationship and the ownership structure and control over it for the purpose of this Decree Law and its Executive Regulation.
- **Controlled Delivery:** The process by which a Competent Authority allows under its supervision the entering or transferring of illegal or suspicious funds or Crime revenues to and from the UAE for the purpose of investigating a Crime or identifying the identity of its perpetrators.
- **Undercover Operation:** The process of search and investigation conducted by one of the judicial impoundment officers by impersonating or playing a disguised or false role in order to obtain evidence or information related to a crime.

Article (2)

- 1- Any person, having the knowledge that the Funds are the proceeds of a felony or a misdemeanour, and who wilfully commits any of the following acts, shall be considered a perpetrator of the crime of Money Laundering:
 - a- Transferring or moving Proceeds or conducting any transaction with the aim of concealing or disguising their illegal source.

b-Concealing or disguising the true nature, source or location of the Proceeds as well as the method involving their disposition, movement, ownership of or rights with respect to said Proceeds.

c-Acquiring, possessing or using Proceeds upon receipt.

d-Assisting the perpetrator of the Predicate Offence to escape punishment.

2- The crime of Money Laundering is considered as an independent crime. The punishment of the perpetrator for the Predicate Offence shall not prevent his punishment for the crime of Money Laundering.

3- A conviction with a Predicate Offence shall not be deemed as a condition to prove the illicit source of the Proceeds.

Article (3)

Without prejudice to the provisions of Federal Law No. (3) of 1987 referred to herein, and Federal Law No. (7) of 2014 referred to herein:

1- The crime of Financing Terrorism shall be committed by whoever intentionally commits any of the following:

a- Any of the acts specified in Clause (1) of Article (2) of the present Decree Law, if he is aware that the Proceeds are wholly or partly owned by a terrorist organisation or terrorist person or intended to finance a terrorist organisation, a terrorist person or a terrorism crime, even if it without the intention to conceal or disguise their illegal source.

b- Providing, collecting, preparing or obtaining Proceeds or facilitating their obtainment by others with intent to use them, or while knowing that such Proceeds will be used in whole or in part for the commitment of a terrorist offence, or if he has committed such acts on behalf of a terrorist organisation or a terrorist person while aware of their true background or purpose.

2- A person shall be guilty of financing illegal Organisations crime if he intentionally commits any of the following:

a- Any of the acts specified in Clause (1) of Article (2) of this Decree Law, if he is aware that the Proceeds are wholly or partly owned by an Illegal Organisation or by any person belonging to an Illegal Organisation or intended to finance such Illegal Organisation or any person belonging to it, even if it without the intention to conceal or disguise their illicit origin.

- b- Providing, collecting, preparing, obtaining Proceeds or facilitating their obtainment by others with intent to use such Proceeds, or while knowing that such Proceeds will be used in whole or in part for the benefit of an Illegal Organisation or of any of its members, with knowledge of their true identity or purpose.

Article (4)

The legal person shall be criminally responsible for the Crime if it is committed in its name or for its account intentionally, without prejudice to the personal criminal responsibility of the perpetrator and the administrative penalties as prescribed by law.

Article (5)

- 1- The Governor or his delegate shall have the right to freeze suspicious Funds deposited at financial institutions for no more than (7) seven working days, in accordance with the rules and controls stipulated in the Executive Regulation of the present Decree Law and it may be, renewed by order of the public prosecutor or his delegate.
- 2- The public prosecution and the competent court, as the case may be, shall request the identification, tracking, or evaluation of suspicious Funds, Proceeds and Instrumentalities or of whatever is of equivalent value or seizing or freezing them if they are the result of, or in connection with, the Crime without pre-advising the owner and issuing a travel ban until the investigation or trial is completed.
- 3- The public prosecution and the competent court, as the case may be and when necessary, shall take the necessary decision to prohibit trading or disposing of such Funds, Proceeds and Instrumentalities and take the necessary actions to prevent any act aiming at evading related freezing or seizing orders, without prejudice to the rights of bona fide third parties.
- 4- All freezing orders of funds held by financial institutions licensed by the Central Bank may be only be executed through the Central Bank.
- 5- Any grievance against the public prosecution's decision to freeze or seize in accordance with the provisions of the present Article shall be filed before the competent court in whose jurisdiction the public prosecution issuing the decision is located. If the grievance is rejected, a new one may be lodged only after the expiry of three months from the date of rejection of the previous one, unless there is a serious reason to do so before the expiry of that period.

- 6- The grievance shall be filed by submitting a report to the competent court. The president of the court shall set a date to review the report and notify the plaintiff of the date. The public prosecution shall submit a memorandum expressing its opinion on the grievance. The court shall issue its decision on this grievance within no more than (14) fourteen business days from the date of its submission.
- 7- The public prosecution and the competent court, as the case may be, shall appoint whomever they find suitable to manage the Funds, Proceeds and Instrumentalities seized, frozen or subject to confiscation, also allowing selling or disposing it, even before the issuance of a court decision if needed. The proceeds of the sale shall be transferred to the UAE treasury in case of a final judgment of conviction. These Funds shall be earmarked to any rights awarded legally to any party acting in good faith, proportionately to its value.
- 8- The Executive Regulation of the present Decree Law shall define the rules and procedures for implementing the dispositions of the present Article.

Article (6)

- 1- Without prejudice to the provisions of Article (5) of this Decree Law, no criminal proceedings shall be instituted against the perpetrator of Money Laundering or Financing of Terrorism, or Financing of Illegal Organisations in accordance with the provisions of this Decree Law except by the Attorney General or his delegate.
- 2- The Attorney General or his delegate and the competent court as the case may be, shall issue a decision to take the necessary procedures to protect the intelligence information and the means and methods of obtaining such information or instruct the competent authorities to protect the witnesses, or the undisclosed sources, the accused or other parties involved in the case if there is a serious threat to their safety.

Article (7)

- 1- The public prosecution may, sua sponte or upon the request of the Law Enforcement Authorities, should there be sufficient evidence of the occurrence of the Crime, request direct access to accounts, records and documents held by third parties and request access to the stored data in the computer system and information technology programs, memorandums, correspondences and packages, identify track and seize the Funds, monitor the accounts, issue travel bans and other procedures aiding in uncovering the Crime and its perpetrators without prejudice to the legislations applicable in the UAE.
- 2- The Law Enforcement Authorities may conduct undercover operations and adopt other investigative methods and initiate the controlled delivery operation aimed at detecting the Crime or its evidence or

identifying the source and destination of the Funds, Proceeds or Instrumentalities or arresting the perpetrators without prejudice to the legislation applicable in the UAE.

- 3- Any person involved in an undercover operation or a controlled delivery operation by Law Enforcement Authorities shall not be held criminally responsible unless such person has instigated the perpetration of the Crime or exceeded the powers granted to him.
- 4- The Competent Authorities in the UAE shall keep comprehensive statistics on the reports of Suspicious Transactions, investigations and Crime-related judgments, seized, frozen or confiscated funds, international cooperation requests and any statistics related to the efficiency and sufficiency of Crime combating procedures.

Article (8)

Any person shall declare whenever he brings into the UAE or take out any currency or bearer negotiable instruments or precious metals or stones of value, in accordance with the declaration system issued by the Central Bank.

Article (9)

An independent "Financial Intelligence Unit" shall be established in the Central Bank, to which Suspicious Transaction reports and related information from all Financial Institutions and Designated Nonfinancial Businesses and Professions shall be sent exclusively for consideration and analysis and referral to the competent authorities, spontaneously or upon request. The FIU shall have competence over the following:

- 1- Requesting Financial Institutions and Designated Nonfinancial Businesses and Professions and the competent authorities to submit any information or additional documentation related to received reports and information, and other information deemed necessary for the FIU to perform its duties, on schedule and in the form determined by the Unit.
- 2- Exchanging information with its counterparts in other countries, with respect to Suspicious Transactions Reports or any other information to which the FIU has access or is the recipient, whether directly or indirectly, according to international agreements to which the State is a party or bilateral agreements signed by the FIU with its counterparts governing bilateral cooperation or conditional upon reciprocity. The FIU may communicate to its counterparts its findings derived from the use of the information provided by its counterparts and the results of the analysis conducted based on this information. Such information shall be used only for the purposes of combating the Crime and shall not be disclosed to third parties without the FIU's permission.

- 3- Establishing a database or a special register to record all available information and to implement data privacy and data security procedures to protect this information including procedures for handling, archiving and transferring and make sure that access to its premises, its database and its technology systems is restricted.
- 4- Any other competences to be specified in the Executive Regulation to the present Decree Law.

Article (10)

- 1- The public prosecution may seek the opinion of the FIU about incoming reports it receives related to cases of Money Laundering, Financing of Terrorism and of Illegal Organisations.
- 2- Law Enforcement Authorities shall be responsible for receiving and following-up on suspicious transactions reports received from the FIU and gathering related evidence.
- 3- Law Enforcement Authorities may obtain the information that it deems necessary to perform its duties from the relevant authorities as stipulated under the Executive Regulation of the present Decree Law.

Article (11)

A committee chaired by the Governor, called "National Committee for Anti-Money Laundering and Combating the Financing of Terrorism and Financing of Illegal Organisations", shall be established by virtue of the provisions of this Decree Law. A decision on the formation of the Committee shall be issued by the Minister.

Article (12)

The Committee shall have the following competences:

- 1- Preparing and developing a national strategy to combat Crime and proposing related regulations, policies and procedures in coordination with the competent authorities, and monitoring their implementation.
- 2- Determining and assessing the risks of the Crime on the national level.
- 3- Coordinating with the relevant authorities and referring to related international sources of information in order to identify high-risk countries in relation to Money Laundering and Financing of Terrorism and instructing the supervisory authorities to ensure the adherence to the required due diligence procedures

by Financial Institutions, Designated Nonfinancial Businesses and Professions, and non-profit organisations which are under their supervision.

- 4- Facilitating the exchange of information and coordination among the various bodies represented therein.
- 5- Assess the effectiveness of the system on combating Money Laundering, Terrorism Financing and Financing of Illegal Organisations based on collecting and analysing statistics and other information provided by the Competent Authorities.
- 6- Representing the State in international forums related to Anti-Money Laundering and combating Financing of Terrorism.
- 7- Proposing the Executive Regulation covering the work of the Committee, and submitting it to the Minister for approval.
- 8- Any other matters referred to the Committee by Competent Authorities in the UAE.

Article (13)

The Supervisory Authorities shall, each within the scope of its competence, carry out supervision, monitoring and follow up to ensure compliance with the provisions provided for in the present Decree Law and its Executive Regulation and shall have in particular, the following competences:

- 1- Conduct a risk assessment on the likelihood of the perpetration of a Crime within the Financial Institutions, Designated Nonfinancial Businesses and Professions and Non-Profit Organisations.
- 2- Conduct supervision and examination over financial institutions, designated nonfinancial businesses and professions and non-profit organisations, both off-site and on-site.
- 3- Issue the decisions related to the administrative penalties in accordance with the provisions of this Decree Law and its Executive Regulation, the grievance mechanism, and keep statistics of measures taken and penalties imposed.
- 4- Any other specialized activities stipulated in the Executive Regulation of the present Decree Law.

Article (14)

- 1- The Supervisory Authority shall impose the following administrative penalties on the Financial Institutions, Designated Nonfinancial Businesses and Professions and Non-Profit Organisations in case they violate the present Decree Law and its Executive Regulation:
 - a) Warning
 - b) Administrative fines 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) Restricting 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 temporary inspector.
 - e) Suspending managers, board members and supervisory and executive management members who are proven to be responsible of the violation for a period to be determined by the Supervisory Authority or request their removal.
 - f) Suspending or restricting the practice of the activity or the profession for a period to be determined by the supervisory authority
 - g) Cancelling the License.
- 2- Except for paragraph (g) of Clause (1) of this Article, The Supervisory Authority may upon imposing the administrative penalties, request regular reports on the measures taken to correct the violation.
- 3- In any case, the Supervisory Authority shall publish the administrative penalties through various means of publication.

Article (15)

The Financial Institutions and Designated Nonfinancial Businesses and Professions shall, upon suspicion or if they have reasonable grounds to suspect a transaction or Funds representing all or some a Proceeds, or suspicion of their relationship to the Crime or that they will be used regardless of their value, to inform the FIU directly and without delay, and provide the FIU with a detailed report including all the data and information available regarding that transaction and the parties involved, and to provide any additional information required by the FIU, with no right to object under the confidentiality provisions. Lawyers, notaries,

other legal professionals and independent legal auditors shall be exempted from this provision if the information related to these Transactions have been obtained subject to professional confidentiality. The Executive Regulation of the present Decree Law shall determine the rules, controls and cases of the obligation to report suspicious transactions.

Article (16)

1- Financial Institutions and Designated Nonfinancial Businesses and Professions shall:

- a) Identify the Crime risks within its scope of work as well as continuously assess, document, and update such assessment based on the various risk factors established in the Executive Regulation of this Decree Law and maintain a risk identification and assessment analysis with its supporting data to be provided to the Supervisory Authority upon request.
- b) Take the necessary due diligence measures and procedures and define their scope, taking into account the various risk factors and the results of the national risk assessment and retain the records received during the implementation of this process. The Executive Regulation of the present Decree Law shall specify the cases in which such procedures and measures are applied, and the conditions for deferring the completion of a Customer or a Beneficial Owner identity verification.
- c) Refrain from opening or conducting any financial or commercial transaction under an anonymous or fictitious name or by pseudonym or number, and maintaining a relationship or providing any services to it.
- d) Develop internal policies, controls and procedures approved by senior management to enable them to manage the risks identified and mitigate them, and to review and update them continuously, and apply this to all subsidiaries and affiliates in which they hold a majority stake; the Executive Regulations of this Decree Law shall specify what should be included in said policies, controls and procedures.
- e) Immediate implementation of the directives issued by the Competent Authorities in the State for implementing the resolutions issued by the United Nations Security Council under Chapter (7) of UN Charter for the Prohibition and Suppression of the Financing of Terrorism, and Proliferation of weapons of mass destruction and their financing, and other related directives.
- f) Maintain all records, documents, and data for all transactions, whether local or international, and make this information available to the competent authorities promptly upon request, as stipulated in the Executive Regulation of this Decree Law.

g) Any other obligations stipulated in the Executive Regulation of this Decree Law.

2- For the purposes of this Decree Law, the Executive Regulation of this Decree Law shall regulate the following:

a) The obligations of Non-Profit Organisations.

b) Retaining information and records by the registrar, to be provided upon request and taking procedures for access by the public.

c) Retaining information and records by the legal person and legal arrangement, and making it available upon request.

Article (17)

All entities shall abide by the confidentiality of the information obtained in relation to Suspicious Transaction or the Crimes provided for in this Decree Law, and not disclose them except to the extent necessary for use in investigations, prosecutions or cases in violation of the provisions of this Decree Law.

Article (18)

1- The competent judicial authority shall, upon request of a judicial authority of another country bound by an enforceable agreement with the State or by virtue of the reciprocity principle, provide judicial assistance in relation to investigation, court trials or procedures relevant to the Crime and issue orders as follows:

a) Identify, freeze, seize or confiscate any Funds, Proceeds, or Instrumentalities or their equivalent, generated from the Crime or used or intended to be used in the Crime or take any other procedures applicable under the enforceable legislation in the State, including, to provide records retained by Financial Institutions, or Designated Nonfinancial Businesses and Professions or Non-Profit Organisations, and to inspect persons and buildings, and to collect witnesses' statements, gather evidence, and use investigative methods including undercover operations, intercepting communications, collecting electronic data and controlled delivery.

b) Handover and handback persons and items relevant to the Crime in a prompt manner in accordance with the legislations applicable in the State.

2- The Competent Authorities shall exchange information related to the Crime promptly with the foreign counterparts, respond to requests made by any competent entity in the foreign countries which are

bound by an applicable convention with the State or in accordance with the reciprocity principle. The Competent Authorities shall gather information from the relevant authorities in the State and take the necessary action to ensure the confidentiality of the information and used it only for its intended purpose stated in the request for information and in accordance with applicable legislations in the State.

Article (19)

- 1- Competent Authorities shall give priority to requests for international cooperation related to Anti-Money Laundering and Combating Financing of Terrorism and ensure prompt execution of those requests and take efficient measures to ensure the confidentiality of the information received.
- 2- In application of the present Decree Law, the request for international cooperation shall not be rejected based on any of the following grounds:
 - a) That the Crime involves tax and financial affairs
 - b) That the Crime is political or related to politics.
 - c) That the confidentiality provisions apply to Financial Institutions and Designated Nonfinancial Businesses and professions without prejudice to the legislation applicable in the State.
 - d) That the request is connected to a Crime under investigation or judicial prosecution in the State unless the request will impede on the investigation or prosecution.
 - e) Any other cases mentioned in the Executive Regulation of this Decree Law.
- 3- The rules, controls and procedures governing international cooperation are contained in the Executive Regulation of this Decree Law.

Article (20)

Any court injunction or court decision providing for the confiscation of Funds, Proceeds or Instrumentalities relating to Money-Laundering, Financing of Terrorism or Financing Illegal Organisations may be recognised if issued by a court or judicial authority of another state with which the State has entered into a ratified convention.

Article (21)

The imposition of penalties provided for in this Decree Law shall not prejudice any harsher penalty provided for in any other law.

Article (22)

- 1- Any person who commits any of the acts set forth in Clause (1) of Article (2) of this Decree Law shall be sentenced to imprisonment for a period not exceeding ten years and to a fine of no less than (100,000) one hundred thousand dirham and not exceeding (5,000,000) five million dirham or either one of these two penalties.

A temporary imprisonment and a fine of no less than (300,000) three hundred thousand dirham and no more than (10,000,000) ten million dirham shall be applied if the perpetrator commits Money Laundering Crime in any of the following situations:

- a) If he abuses his influence or the power granted to him by his employment or professional activities.
- b) If the Crime is committed through a Non-Profit Organisation.
- c) If the Crime is committed through an organized crime group.
- d) In case of recidivism

- 2- An attempt to commit a Money Laundering offense shall be punishable by the full penalty prescribed for it
- 3- A life imprisonment sanction or temporary imprisonment of no less than (10) ten years and penalty of no less than (300,000) three hundred thousand dirham and no more than (10,000,000) ten million dirham is applied to anyone who uses Proceeds for Financing of Terrorism.
- 4- A temporary imprisonment sanction and a penalty of no less than (300,000) three hundred thousand dirham and no more than (10,000,000) ten million dirham shall be applicable to anyone who uses the Proceeds in Financing Illegal Organisations.
- 5- The Court may commute or exempt from the sentence imposed on the offenders if they provide the judicial or administrative authorities with information relating to any of the offenses punishable in this Article, when this leads to the disclosure of the Crime or its perpetrators, or the verification of the Crime against them or arrest of any of the perpetrators.

Article (23)

- 1- A penalty of no less than (500,000) five hundred thousand dirham and no more than (50,000,000) fifty million dirham shall apply to any legal person whose representatives or managers or agents commit for its account or its name any of the Crimes mentioned in this Decree Law.
- 2- If the legal person is convicted with crime of Financing of Terrorism, the court shall order its dissolution and closure of its offices where its activity is performed.
- 3- Upon issuance of the indictment, the court shall order the publishing of a summary of the judgment by the appropriate means at the expense of condemned party.

Article (24)

Imprisonment and a fine of no less than (100,000) one hundred thousand dirham and no more than (1,000,000) one million dirham or any of those two sanctions is applied to anyone who violates on purpose or by gross negligence the provision of Article (15) of this Decree Law.

Article (25)

Imprisonment for no less than six months and a fine of no less than (100,000) one hundred thousand dirham and no more than (500,000) five hundred thousand dirham or any of these two sanctions shall apply to anyone who notifies or warns a person or reveals transaction under review in relation to Suspicious Transactions or being investigated by the Competent Authorities.

Article (26)

- 1- The court shall, once the perpetration of the Crime is verified, confiscate the following:
 - a) Funds of the Crime, proceeds and instrumentalities used or intended to be used in the Crime.
 - b) Any Funds owned by the perpetrator with an equivalent value to the Funds and Proceeds mentioned in paragraph (a) of this clause if it fails to confiscate those funds.
- 2- The confiscation shall be imposed irrespective of whether the Funds, Proceeds, or Instrumentalities are owned by or in possession of the perpetrator or a third party without prejudice to the rights of third party acting in good faith.
- 3- In the cases of the death of the accused in a Crime punishable under the Decree Law or the perpetrator's identity being unknown shall not prevent the public prosecution from referring the case file to the

competent court to issue an order to confiscate the seized Funds, Proceeds and Instrumentalities if it is established that they were related to the Crime.

- 4- Without prejudice to the rights of bona fide third parties, any contract or act where the parties, or any one of them or otherwise are aware that such contract or act aims at impacting the ability of the competent authorities to enforce the seizure, freezing or the execution of the confiscation order, shall be void.

Article (27)

Supervisory authorities, FIU, Law Enforcement Authorities, Financial Institutions, Designated Nonfinancial Businesses and Professions, their board members, employees and legally authorized representatives are exempted from criminal, civil or administrative responsibility in relation to their providing any requested information or violating any obligation under legislative, contractual and administrative directives aimed at securing confidentiality of information unless the disclosure is made in bad faith or with the intent of causing damages to others.

Article (28)

Imprisonment or a fine of no less than (50,000) fifty thousand dirham and no more than AED (5,000,000) five million dirham shall be applied to any person who violates the instruction issued by the Competent Authority in the State for the implementation of the resolutions of United Nations Security Council under Chapter (7) of UN charter for the Suppression of the Financing of Terrorism and Proliferation of Weapons of Mass Destruction and its financing and other related decisions.

Article (29)

- 1- If any foreigner is convicted of a Money Laundering Crime or any felony mentioned in this Decree Law, and is given a sanction restricting his freedom, he must be deported from the State.
- 2- Without prejudice to Clause(1) of this Article, if any foreign person is convicted for other offences provided hereunder this Decree Law, and is given a sentence restricting his freedom, the court may decide to deport him from the State or order him to be deported instead of imposing a sanction restricting his freedom.
- 3- The criminal case shall not be subject to the statute of limitations for Money Laundering or Financing of Terrorism or Financing Illegal Organisations Crimes. The sanctions shall not lapse with time or with the lapse of any related civil legal cases due to statute of limitations.

- 4- This Decree Law shall not prejudice the provisions of refereed Federal Law no. (7) of 2014.
- 5- The Financing of Illegal Organisations is considered a Crime if its purpose is to undermine the internal security of the State or its vital interests thereof and Financing of Terrorism Crimes are considered as crimes intended to undermine the internal and external security of the State.

Article (30)

Imprisonment and a fine or one of the two penalties shall be imposed on anyone who intentionally fails to declare or refrains from providing additional information upon request, from him or deliberately conceals information that must be declared or deliberately presents incorrect information, in violation of the provisions provided for in Article (8) of this Decree Law. Upon conviction, the Court may rule on the confiscation of seized Funds without prejudice to the rights of others acting in good faith

Article (31)

Imprisonment or a fine of no less than (10,000) ten thousand dirhams and no more than (100,000) one hundred thousand dirhams shall be applied to any person who violates any other provision of this Decree Law.

Article (32)

Employees designated per decision issued by the Minister of Justice, in coordination with the Governor, shall, in establishing acts occurring in violation of the provisions of this Decree Law or its Executive Regulation or the decisions issued thereunder, have the capacity of judicial officers.

Article (33)

The Cabinet of Ministers shall issue the Executive Regulation of this Decree Law based upon the proposal of Minister.

Article (34)

- 1- Any provision that violates or conflicts with the provisions of this Decree Law shall be revoked.
- 2- Federal Law no. (4) of 2002 on the criminalization of money laundering shall be abrogated.

Article (35)

The present Decree Law shall be published in the Official Gazette and to be entered into effect one month from the date of publication.

Khalifa Bin Zayed Al Nahyan
President of the United Arab Emirates

Issued by us in the Presidential Palace in Abu Dhabi:

On 13 Muharram 1440 H

Corresponding to 23/09/2018