

WHITEPAPER

How the UAE's AML Framework Affects Businesses in 2025

Exploring the UAE's Financial Crime
Strategy 2024 – 2027

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Executive Summary

In an era of rapidly evolving financial threats, the United Arab Emirates (UAE) has emerged as a leader in combating financial crime through innovation, robust governance, and international cooperation. Following its [removal from the Financial Action Task Force \(FATF\) Grey List in February 2024](#), the UAE has reaffirmed its commitment to global financial integrity by launching [the 2024–2027 National Strategy for Anti-Money Laundering \(AML\)](#), Countering the Financing of Terrorism (CFT), and Proliferation Financing (CPF).

This comprehensive strategy, built on 11 strategic goals, introduces groundbreaking legislative and regulatory reforms. Anchored by a risk-based approach, it aims to fortify the UAE's financial system against money laundering, terrorism financing, and cybercrime. The initiative integrates cutting-edge technologies, enhances coordination among stakeholders, and ensures alignment with international standards.

This white paper explores the key pillars of the strategy, highlighting its innovations, collaborative framework, and expected impact on the global financial system.

[In the February 2024 report](#), FATF welcomed the UAE's significant progress in improving its AML/CFT regime but also stated:

'The UAE should continue to work with MENAFATF to sustain its improvements in its AML/CFT system.'

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The UAE's Commitment to Financial Integrity

The UAE, as a global financial hub, recognizes the critical importance of safeguarding its financial ecosystem from illegal activities. Its proactive measures, reflected in the 2024–2027 AML/CFT/CPF National Strategy, underscore a vision of a resilient, secure, and transparent financial landscape.

Global Perspective

The UAE's recent delisting from [FATF's Grey List](#) in February 2024 marks a pivotal achievement, signaling the country's commitment to international anti-money laundering (AML) and countering the financing of terrorism (CFT) standards. This delisting not only strengthens international trust in the UAE's financial system but also enhances its position as a preferred destination for global business and investment.

Overview of the Strategy

The UAE's 2024-2027 National Strategy for Anti-Money Laundering, Countering the Financing of Terrorism, and Proliferation Financing is built around 11 strategic goals, addressing critical areas such as risk-based compliance, regulatory reforms, and the evolving threats posed by financial crimes. The strategy places significant emphasis on adapting to emerging risks, including trade-based money laundering, virtual assets, and cybercrime.

Informed by the latest National Risk Assessment (NRA), the strategy aligns with the highest international standards, ensuring the UAE remains at the forefront of global financial security and compliance. The consultation process, which included private sector input, reflects a broad-based approach to tackling illicit financial activities across all sectors.

Target Outcomes

The primary outcomes of the strategy include:

- Enhanced compliance
- Sustainability
- Strengthened national and international collaboration

By enhancing coordination among domestic and international stakeholders, the UAE aims to improve the effectiveness of its AML/CFT framework, safeguard its financial ecosystem, and reinforce its global standing as a reliable and resilient financial hub. To ensure long-term effectiveness in combating financial crimes, the strategy also focuses on improving:

- Data analysis
- Resource optimization
- The legal infrastructure

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Legislative and Regulatory Framework Enhancements

The UAE's 2024-2027 National Strategy for AML/CFT and CPF introduces several key reforms to strengthen the legislative and regulatory framework:

1. Federal Decrees on Economic Crimes and Complex Legal Structures

[New federal decrees](#) (Issued in August) focus on addressing economic crimes, including trade-based money laundering and the exploitation of complex legal structures. These reforms enhance the country's ability to detect and disrupt illicit financial flows.

2. Beneficial Ownership Transparency

Updates to laws around [beneficial ownership](#) aim to improve transparency and reduce opportunities for money laundering through hidden ownership structures. Financial institutions will face stricter reporting obligations to disclose beneficial ownership information.

3. Legal Measures on Virtual Assets, Cybercrime, and Trade-Based Money Laundering

Legal frameworks are being strengthened to target emerging risks such as virtual assets and cybercrime, recognizing the evolving nature of financial crime. Measures to combat trade-based money laundering are also a key focus, addressing complex illicit trade practices that facilitate money laundering.

Implications for Financial Institutions

1. New Compliance Obligations

Private sector entities will face new and enhanced compliance obligations to align with the updated regulatory frameworks. This includes “strengthening the detection, investigation, and disruption of illicit financial activities.”

2. Increased Scrutiny on Data Collection and Reporting

Financial institutions will be subject to increased scrutiny regarding their data collection and reporting mechanisms. Enhanced transparency and better data-driven insights will be essential for compliance, requiring institutions to adopt more robust and efficient systems to meet new requirements.

Structural Changes to AML Oversight Bodies

1. The National Committee and the Higher Committee (now renamed the Supreme Committee) have been elevated to higher levels of government authority (Cabinet and Presidential Court, respectively). This reflects a structural shift aimed at emphasizing the strategic importance of AML/CFT efforts within the UAE's governance framework.
2. A new General Secretariat attached to the National Committee is highlighted as a significant operational improvement, with a focus on enhancing its ability to organize and execute its mandate.

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CBUAE's Supervisory Technology (SupTech) Initiative

The Central Bank of the UAE (CBUAE) has [enhanced SupTech](#) to revolutionize financial crime monitoring. By leveraging advanced data analytics, SupTech enables:

- **Early risk detection:** Identifies money laundering risks through predictive modeling.
- **Streamlined supervision:** Enhances regulatory oversight with real-time data processing.

[AI-driven systems](#) enhance the detection of complex crimes while ensuring flexibility in assessing dynamic risks and financial institutions can benefit from automating compliance processes and improving resource allocation for critical decision-making.

Strengthened Enforcement Environment

These recent actions showcase a broader trend toward robust enforcement across regulated sectors:

1. The UAE Central Bank stated that it had fined a foreign bank operating in the country [\\$1.4 million](#) due to its insufficient measures in addressing money laundering, terrorist financing, and other related deficiencies.
2. The Ministry of Economy's [revocation of licenses for 32 precious metals dealers](#) due to non-compliance.

The Growing Need for AI-Powered AML Solutions

AI-driven solutions, like [FOCAL AML Compliance](#), are essential for strengthening AML frameworks and addressing the growing challenges of modern financial crime.

Complexities in Modern Financial Crime

- Trade-based and third-party laundering schemes are becoming more sophisticated, hiding illicit financial flows through global trade networks.
- Cybercrime and virtual asset misuse are on the rise, with criminals using digital currencies and online platforms to conduct money laundering and terrorism financing.

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Role of AI in Mitigating Risks

- **Predictive analytics:** AI helps detect suspicious patterns early by analyzing large volumes of financial data.
- **Automation:** AI reduces [false positives](#) and speeds up investigations, allowing compliance teams to focus on [high-risk cases](#).
- **Transparency and data integrity:** AI ensures the accuracy and traceability of financial data, making it harder for illicit activities to go undetected.

Strategic Alignment for Chief Compliance Officers

Chief Compliance Officers (CCOs) in the UAE have a critical role in positioning their institutions as proactive partners in the implementation of the national AML/CFT strategy.

Leadership in Compliance

- **Proactive Role:** CCOs should lead the charge in aligning their institutions with the UAE's 2024-2027 AML/CFT strategy.
- **Stakeholder Confidence:** Demonstrate alignment with global standards, strengthening trust with regulators, investors, and customers.

Investment in Technology

- **AI-Powered Tools:** [Adopt AI to enhance AML efforts](#), improving efficiency and accuracy while lowering costs.
- **Future-Proofing:** Build adaptive frameworks to tackle emerging risks like cybercrime and virtual assets.

Balancing Technology and Human Expertise

- **Scalable AI Solutions:** Use AI for data analysis and [risk assessments](#) at scale.
- **Human Expertise:** Ensure that skilled compliance teams handle complex, context-sensitive decisions. Combining both approaches ensures a strong, resilient AML framework.

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Key Takeaways for Financial Institutions in UAE

While the amendments do not impose new compliance requirements, they point to an intensifying regulatory environment. Also, companies operating in the UAE should prepare for stricter scrutiny and adapt to evolving regulatory and enforcement dynamics.

About FOCAL

[FOCAL by Mozn](#) is a leader in AI-powered fraud prevention and AML compliance solutions, helping businesses and governments tackle rising regulatory challenges and combat ever-evolving fraud. With the global crackdown on financial crime and an increased focus on AML/CFT regulations, FOCAL addresses a critical need for real-time, AI-driven compliance and [fraud prevention solutions](#), particularly in the fast-changing financial services landscape.

FOCAL leverages AI to streamline key fraud prevention and AML compliance processes without compromising the customer experience, significantly reducing manual intervention and cutting fraud prevention and compliance costs for businesses and governments. FOCAL's offerings include [fraud prevention](#), [AML compliance](#), [customer due diligence](#), [database verification](#), and [financial insights](#).

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