

UAE AML/CFT 2025: Increased Compliance Focus

Federal Decree-Law No. 10 of 2025 •▶▶

The UAE has entered a new regulatory era strengthening AML, CFT, and Proliferation Financing frameworks across financial and non-financial sectors.



What This New Law Means

The new AML/CFT/CPF law reshapes compliance expectations by:

- 👉 Expanding the **scope of offences and regulated sectors**.
- 👉 Increasing **board & senior management accountability**.
- 👉 Strengthening **beneficial ownership rules**.
- 👉 Bringing **virtual assets and digital systems** under closer AML scrutiny.
- 👉 Enhancing **inspection powers and enforcement tools**.

This reform shifts the UAE from “policy presence” → to evidence-based compliance.

Expanded Predicate Offences

▶ What's newly included?

The law adds several high-risk offences to strengthen detection and reporting:

- Tax evasion
- Proliferation financing
- Misuse of virtual assets

▶ Who must comply?



Banks & financial
institutions



DNFBPs
(auditors, accountants,
lawyers, real estate,
metals dealers)



Virtual Asset
Service Providers
(VASPs)



Trade & logistics
companies

▶ Required Actions

- Update organisational AML risk assessment
- Include new offences in AML policy
- Train staff on emerging typologies & red flags

Board & Senior Management **Accountability**

The new law places direct responsibility on governing bodies.

What changes?

Boards must demonstrate **active AML oversight**

Senior management must show a **documented role** in AML governance

AML considerations must be reflected in **board minutes**

Required Actions

- Assign formal AML oversight responsibilities.
- Share quarterly AML compliance dashboards with board/audit committee.
- Maintain meeting records proving AML review.

Digital Assets Now **Fully Covered**

The new law places direct responsibility on governing bodies.

The law expands the definition of financial crimes to include:



Virtual assets



Digital systems



**Technology-enabled
financial channels**

Who is impacted?

- FinTechs
- VASPs (exchanges, custodians, token issuers)
- Payment processors
- Money service businesses

Required Actions

- Perform a specific virtual-asset risk assessment.
- Strengthen KYC/Onboarding for digital transactions.

Strengthened UBO Verification

To enhance corporate transparency, the new law tightens UBO obligations.

Key Updates

Mandatory UBO verification

Record retention extended to **10**
years

Who is covered?

- Entities under MoE
- Free-zone companies
- Entities supervised by financial regulators

Required Actions

- Review & validate UBO registers
- Ensure ownership structures are documented
- Upgrade record-keeping systems

Risk-Based Supervision & Expanded Regulator Powers

Regulators now have stronger oversight capabilities.

Enhanced Powers

Ability to conduct **risk-based inspections**

Wider authority for **thematic reviews**

Deeper assessment of **risk methodologies & ratings**

Covered Entities: Banks, VASPs, DNFBPs, auditors, lawyers, real estate brokers, precious-metal dealers.

Required Actions

- Maintain inspection-ready documentation
- Document risk-assessment rationale

Stronger Sanctions & Asset-Freezing Tools

The new AML law enhances enforcement measures for high-risk cases.

New Enforcement Powers

Freeze assets for up to 30 days

Suspend transactions for 10 days

Covered Entities: All entities subject to the UAE AML Law.

Required Actions

- Define internal escalation and notification process
- Test readiness for immediate freeze execution

Mandatory Independent **AML/CFT Testing**

High-risk entities must undergo independent testing to validate AML frameworks.

Who is obligated?

Entities with moderate-to-high ML/TF exposure.

Scope of Testing

- Policies & procedures
- Risk assessments
- Monitoring & reporting systems
- Corrective action tracking

Required Actions

- Schedule periodic internal/external AML reviews
- Maintain evidence of testing & remediation

Focus on Proliferation Financing & Targeted Financial Sanctions

The new law sharply increases focus on PF & TFS.

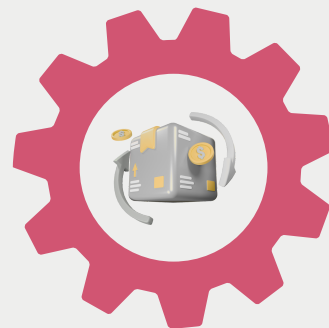
High-Risk Sectors



Banks



Trade finance



Shipping and logistics



Insurance

Required Actions

- Integrate PF risk in enterprise risk register
- Test systems for dual-use goods & sanctioned entities

Enhanced STR Obligations & **Tipping-Off Prohibition**

STR Obligations Expanded

Entities must report suspicious activity with **greater detail and urgency.**

Tipping-Off Rules Tightened

Confidentiality requirements made stricter to prevent leaks.

Required Actions

- Retrain staff on revised STR workflows
- Reinforce internal confidentiality protocols
- Reconfirm escalation hierarchy

Higher Scrutiny for Agents & Intermediaries

The law expands due diligence expectations on all third-party relationships.

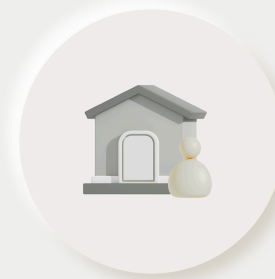
Who is included?



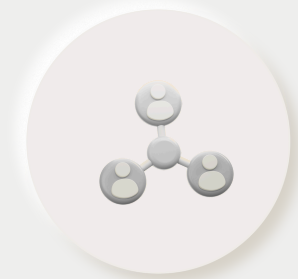
Corporate service providers



DNFBPs



Real estate firms



Trade intermediaries

Required Actions

- Extend AML checks to agents/intermediaries
- Update onboarding templates & AML questionnaires

How MCA Can Help

MCA provides end-to-end, regulation-aligned assistance across all obligations introduced under Federal Decree-Law No. 10 of 2025.

- Full AML/CFT Gap Analysis (vs. 2025 Law)
- Update AML/CFT Risk Assessments & Risk Typologies
- Rewrite & Enhance AML Policies and Control Documentation
- Strengthen Board Oversight & Governance Mechanisms
- Independent AML/CFT Framework Testing
- Proliferation Financing (PF) & TFS Strengthening
- Virtual Asset & Digital Transaction AML Compliance
- Third-Party & Intermediary AML Enhancement
- Front-Line & High-Risk Function Staff Training
- Inspection & Supervisory Readiness Pack



READY FOR UAE AML/CFT 2026 DEADLINE?

MCA Gulf can help you comply with every requirement in the 2025 AML Law.



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CONTACT US AT

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