Updating the Lists of High-Risk Countries, Countries Subject to Increased Monitoring, and Related Measures

Resource Number: RS020/2026

Resource Details

Country	United Arab Emirates	**Group**	KYC
Category	Laws & Notifications	**Sub-Category**	Circular No. (1) of 2026
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Effective Date	2026-01-01		
Short Brief	This resolution reaffirms and continues existing obligations and does not result in the creation of new obligations. Rather, it aims to reflect the approved updates to the relevant lists and enhance the level of compliance, within the framework of the applicable laws and regulations in force in the State.		

Sections

Purpose of the Circular

The purpose of this circular is to inform about :

- Updates the **lists of:**
  - High-Risk Countries (subject to call for action)
  - Countries under Increased Monitoring
- Aligns UAE framework with **international AML/CFT standards (FATF)**
- Aims to **strengthen controls against money laundering, terrorism financing, and proliferation financing**

Applicability

The provisions of this circular shall apply to all relevant departments and entities mentioned below :

- Applies to:
  - Financial Institutions (FIs)

    - Designated Non-Financial Businesses and Professions (DNFBPs)
    - Other regulated entities in UAE
    - Corporate services providers.
- Includes sectors like:
    - Real estate brokers
    - auditors, lawyers, dealers in precious metals, etc.

Updated Country Classification

The circular categorizes jurisdictions into:

a) High-Risk Countries

- Jurisdictions with **serious strategic AML/CFT deficiencies**
- Subject to **counter-measures or enhanced restrictions**

b) Countries under Increased Monitoring

- Countries working with FATF but still having **identified weaknesses.**

Key Compliance Requirements

The following section sets out the key compliance requirements for high-risk countries and those under increased monitoring

For High-Risk Countries:

- Apply **Enhanced Due Diligence (EDD)**:
    - Detailed customer verification
    - Source of funds/wealth checks
- Increase **transaction monitoring**
- Obtain **senior management approval** before business relationships
- Consider **risk mitigation measures or restrictions**

In extreme cases:

- Limit or **terminate business relationships**

For Increased Monitoring Countries:

- Apply **additional scrutiny**, but less strict than high-risk:
    - Enhanced monitoring of transactions
    - Risk-based due diligence

Risk-Based Approach

The following outlines the risk-based approach guiding compliance with these requirements.

- Entities must:
  - Continuously **assess customer and country risk**
  - Update internal **risk assessment frameworks**
- Must integrate updated country lists into:
  - AML policies
  - Customer onboarding systems

Screening & Monitoring Obligations

Organisations must implement ongoing screening and monitoring to detect and manage risks associated with high-risk and increased-monitoring countries.

- Mandatory:
  - Screening customers against updated lists
  - Ongoing monitoring of business relationships
- Use systems to detect:
  - Suspicious transactions
  - Unusual patterns

Reporting Obligations

Entities are required to promptly report any suspicious or non-compliant activities related to high-risk and increased-monitoring countries.

- Suspicious transactions must be reported via:
  - **goAML platform goaml@uaefiu.gov.ae (UAE FIU system)**
- Failure to report → penalties
- **Administrative fine:** Typically **AED 100,000 – AED 500,000** for failing to submit suspicious transactions or activity reports timely.
- **Criminal liability:** Under UAE federal AML laws, failing to report suspicious activity can be treated as a **criminal offence**, attracting fines of **AED 100,000 – AED 1,000,000** and/or **imprisonment** for

responsible persons.

Internal Controls & Governance

The following outlines the internal controls and governance measures required to ensure effective compliance and risk management.

Entities must:

- Update:
  - AML/CFT policies
  - Internal controls
- Ensure:
  - Staff training
  - Proper documentation
  - Audit trails

Regulatory Enforcement

The following highlights the regulatory enforcement mechanisms and consequences for non-compliance.

- Non-compliance may lead to:
  - Heavy fines
  - License suspension
  - Criminal liability in severe cases

Alignment with UAE AML Law (2025 Framework)

The following explains how Circular 1 aligns with the UAE AML Law (2025 Framework) to ensure consistent anti-money laundering compliance.

- Circular supports:
  - **Federal Decree Law No. (10) of 2025**
  - **Cabinet Resolution No. (134) of 2025**
- Reinforces UAE’s commitment to **global financial crime prevention standards**

List of Grey Countries

The following lists of the countries classified as Grey Countries.

- Algeria
- Angola
- Bolivia
- Bulgaria
- Cameroon
- Cote D’Ivoire
- Democratic Republic of the Congo
- Haiti
- Kenya
- Kuwait
- Lao PDR
- Lebanon
- Monaco
- Namibia
- Nepal
- Papua New Guinea
- South Sudan
- Syria
- Venezuela
- Vietnam
- Virgin Island (UK)
- Yemen

Black List of Countries

The following lists of the countries classified as Black Countries.

- Iran
- Myanmar
- Democratic People’s Republic of Korea

Documents

No documents attached.

References

• MOET/AML/001/2026 Circular Link issued by Ministry of Economy & Tourism — https://www.moet.gov.ae/documents/20121/0/Circular+No.+%281%29+of+2026++on+Updating+the+List.pdf/0ebf54f1-a7f2-c6b6-b1ec-be478e7a6784?t=1773394013261