



Notice No. : CBUAE/BSN/2022/1175
Date : 16 March 2022
Classification : Restricted
To : All Banks, Finance Companies & Insurance Companies
Attention : Chief Executive Officer / Managing Director / General Manager
Subject : Implementation of certain provision of the Multilateral Administrative Agreement for Automatic Exchange of Information - Enforcement Procedures for Account Holders or Controlling Persons

After greetings,

We refer to Central Bank's Notice No. CBUAE/BSN/2020/3722 dated 20 August 2020 (**copy enclosed**).

Please be advised that Cabinet Resolution No. 93/2021 issued on 10 October 2021 regarding the Implementation of Certain Provisions of the Multilateral Administrative Agreement for Automatic Exchange of Information (**copy enclosed**), has repealed Cabinet Resolution No. 5/11 of 2020.

Compliance with the Enforcement Clauses of Cabinet Resolution No. 93/2021

Article 5, par. 1 under a. stipulates that – when certain conditions are met – a fine of AED 20,000 shall be imposed on any Account Holder (AH) or Controlling Person (CP) if the self-certification or any supporting documents submitted by such AH or CP to the Reporting Financial Institution (RFI) contains any inaccurate or incorrect information.

In line with Article 6, par. 5, the Central Bank has decided to assign licensed RFIs to collect the fines specified above and transfer the proceeds to the bank account specified for this purpose by the Central Bank.

Once a violation by an AH or CP is established, the RFI is required to report the violation to the Central Bank and notify the AH or CP of the imposed fine due to the violation, following the directions of the Central Bank. The enclosed “Enforcement Letter”, which should be sent on the RFIs letterhead to the AH or CP, includes detailed guidelines regarding the payment of the imposed fine and precise procedures to appeal the imposed fine (**copy enclosed**).

Coming into effect

This Notice comes into immediate effect and all RFIs should inform their AHs and CPs of their legislative regulatory obligations and grant a grace period of 30 days to remedy any shortcomings by providing accurate and correct self-certifications and supporting documents, prior to reporting violations to the Central Bank and imposing the stipulated fines.



Implementation

The Central Bank requires all RFIs operating in the UAE to implement appropriate internal measures and procedures to be fully compliant with the above-mentioned Cabinet Resolution and this Notice, and failure to do so, may subject the financial institution to regulatory actions and sanctions as deemed appropriate by the Central Bank.

Yours sincerely,

Ahmed Saeed Al Qamzi
Assistant Governor for Banking and Insurance Supervision