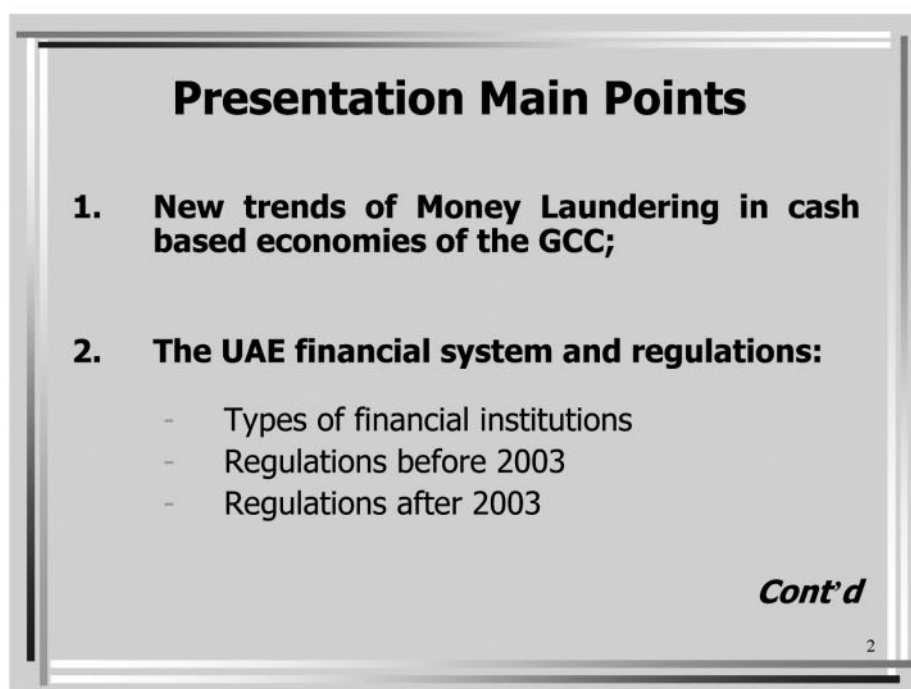


“Typology and New Trends of Money-Laundering including the Specific Features of Money-Laundering in Informal or Cash Based Economies”

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Governor, the Central Bank of the United Arab Emirates



Presentation Main Points – continued

3. Steps taken by the UAE to regulate the Hawala System:

☐ **The Hawala Regulations System:**

- i. The press announcement issued by the Central Bank of the UAE to Hawala Brokers (Hawaladars);
- ii. The Certificate issued to Hawala Brokers (Hawaladars) in the UAE; and the
- iii. Reports to be submitted by Hawala Brokers (Hawaladars) to UAE FIU at the Central Bank.

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New trends of Money Laundering in cash based economies of the GCC

i. Challenges;

- Smuggling of Cash;
- Using over invoicing or under invoicing in Cross-border trade transactions.

ii. Action taken / to be Taken by countries of the region to encounter the new challenges;

- a) Exchange of information;
- b) Coordination of supervision; and
- c) Mutual Legal cooperation.

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Financial system and regulations in the UAE

1. Types of financial institutions:

- i. Banks, Investment & Finance companies;
- ii. Insurance companies;
- iii. Financial Markets;
- iv. Moneychangers (Exchange Houses) and other financial institutions; and
- v. Hawala/Informal Funds Transfer systems (IFT).

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Financial system and regulations in the UAE - continued

2. Regulations before 2003.

	Regulations Status
i. Banks, Investment & Finance companies;	-Licenced, supervised & examined by Central Bank
ii. Insurance companies;	-Ministry of Economy & Planning
iii. Financial Markets;	-Emirates Securities & Commodities Authority
iv. Moneychangers (Exchange Houses) and other financial institutions; and	- Licenced, supervised & examined by Central Bank
v. Hawala/Informal Funds Transfer systems (IFT) .	-Unregulated

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Financial system and regulations in the UAE - continued

3. Regulations after 2003.

- i. Banks, Investment & Finance companies;
- ii. Insurance companies;
- iii. Financial Markets;
- iv. Moneychangers (Exchange Houses) and other financial institutions; and
- v. Hawala/Informal Funds Transfer systems (IFT).

Regulations Status
-Licenced, supervised & examined by Central Bank
-Ministry of Economy & Planning
-Emirates Securities & Commodities Authority
-Licenced, supervised & examined by Central Bank
-Registered & Certificate issued by Central Bank
- Reporting -

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4. Hawala System Regulations

The regulations system in the UAE is based on the Abu Dhabi Declaration on Hawala

- a) Regulations are not overly restrictive;
- b) The revised 40 recommendations of the Financial Action Task Force (FATF) on Money Laundering and the additional 9 special recommendations on Terrorist Financing are fully observed through awareness meetings; and
- c) The objective is to prevent the Hawala System's misuse by criminals and others.

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The press announcement issued by the Central Bank of the UAE to Hawala Brokers (Hawaladars)

- a) The Hawala System is very important to handle transfers of low paid workers who are mostly illiterate;
- b) The System is also important because it reaches remote places that are not serviced by normal banking networks;
- c) A simple system of registration and reporting; and
- d) The Central Bank assured Hawala Brokers that their names will be safe at the Central Bank.

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**Press
Announcement**

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Announcement Issued by the Central Bank of the UAE to Hawala Brokers (Hawaladars)

- ❑ The Central Bank of the UAE is pleased to announce that it is going to implement **a simple system of registration** and reporting for Hawala Brokers (Hawaladars).
- ❑ Based on the **Abu Dhabi Declaration on Hawala**, almost all representatives of the major countries of the world have agreed that the **Hawala System** is very important to handle transfers of low-paid workers who are mostly illiterate. They also agreed that the system is very important because it reaches remote places that are not serviced by normal banking networks.

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- ❑ To regulate this, the Central Bank of the UAE will start registering and issuing **a simple Certificate** to all Hawala Brokers (Hawaladars) in the UAE, free of charge. The Central Bank of the UAE assures Hawala Brokers (Hawaladars) that their names and details will be kept safe at the Central Bank.
- ❑ Hawala Brokers (Hawaladars), on the other hand, should provide the Central Bank with details of the Remitters and Beneficiaries who receive transfers from abroad on **simple forms** (available at the Central Bank of the UAE).

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- ❑ Also, Hawala Brokers (Hawaladars) are required to **Report Suspicious Transfers**, whenever they doubt such transfers occurred.
- ❑ Hawala Brokers (Hawaladars) should contact: (A Name:----- Telephone:----- Fax:-----) as soon as possible, to register and receive their “*Certificate*”.
- ❑ This Certificate will be necessary to deal with Banks or Moneychangers, and avoid any Money Laundering Suspicion.

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The Certificate Issued for Hawala Brokers (Hawaladars) in the UAE

- a) The Central Bank of the UAE now issues certificates to all Hawaladars; and
- b) This Certificate is necessary to do transactions through banks and moneychangers (Exchange Houses) and avoid money laundering suspicion.

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Application Form to Register as Hawaladar		نموذج طلب (تسجيل كوسيط حوالة (حوالادار	
Full Name (as in the passport)			الاسم بالكامل (كما في الجواز)
Nationality			الجنسية
Registered Occupation / Official			المهنة المسجلة / الرسمية
Nature of Business Job			طبيعة العمل / الوظيفة
Age			العمر
Address			العنوان
Res. Tel.			تلفون المنزل
Mobile No.			تلفون متحرك
Signature			التوقيع
Encls. Form :		مرفقات الطلب :	
< A true copy of the original Passport. < A true copy of original Trade Licence (where applicable). < One Photograph / Photographs of Partners.		- صورة طبق الأصل من جواز السفر - صورة طبق الأصل من الرخصة التجارية أو الرخصة - (صورة شخصية (أو صور الشركاء	

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Certificate No:		رقم الشهادة :	
Certificate For Hawala Broker (Hawaladar) In the United Arab Emirates		شهادة وسيط حوالة (حوالادار) بإمارة الإمارات العربية المتحدة	
The Central Bank of the United Arab Emirates has given approval to :		صرح مصرف الإمارات العربية المتحدة المركزي لـ :	
To carry-out Hawala business subject to the following:		لقيام بأعمال الحوالة وفقاً لما يلي :-	
- The said broker will comply with regulations and instructions issued by the Central Bank at all times.	- يلتزم الوسيط المعني في جميع الأوقات بالأنظمة والتعليمات الصادرة من قبل المصرف المركزي.	- تزويد دائرة الرقابة والتفتيش على المصارف بالبيانات وفقاً للجدولين المرفقين (أ) و (ب). (لا ينطبق على الصرافات التي تمارس أعمال الحوالة).	- ١- يلتزم الوسيط المعني في جميع الأوقات بالأنظمة والتعليمات الصادرة من قبل المصرف المركزي.
- Providing the Banking Supervision and Examination Department with the data as per the attached tables (A)&(B). (Does not apply to moneychangers doing Hawala business).	- الإخطار عن المعاملات المشبوهة لوحدة مواجهة غسل الأموال والمعاملات المشبوهة وفقاً للجدول المرفق (ج).	- سوف يحتفظ المصرف المركزي بكافة المعلومات المذكورة أعلاه بسرية في ملفاته.	- ٢- تزويد دائرة الرقابة والتفتيش على المصارف بالبيانات وفقاً للجدولين المرفقين (أ) و (ب). (لا ينطبق على الصرافات التي تمارس أعمال الحوالة).
- Reporting suspicious transactions to Anti-Money Laundering and Suspicious Cases Unit as per the attached table (C).	- الإخطار عن المعاملات المشبوهة لوحدة مواجهة غسل الأموال والمعاملات المشبوهة وفقاً للجدول المرفق (ج).	- يمكن معلوماً أن هذه الشهادة لا تفول حاملها بتدبير عمليات أجنبية أو بيع وشراء الشيكات لساحبة.	- ٣- سوف يحتفظ المصرف المركزي بكافة المعلومات المذكورة أعلاه بسرية في ملفاته.
The Central Bank will keep all above information confidential in its files.		Please note that this certificate does not permit its holder to exchange currencies or sell and purchase travellers cheques.	
Issue date : Expiry date :		تاريخ الإصدار : تاريخ الانتهاء :	
إبراهيم جمعة الحوسني مسؤول فريق تفتيش رئيسي دائرة الرقابة والتفتيش على المصارف Ibrahim Jumaa Al Hosani Senior In-Charge Examination Team			

Reports to be submitted by Hawala Brokers (Hawaladars) to the Central Bank

- Hawala Brokers (Hawaladars) would provide the Central Bank with details of remitters (Table-A);
- They would provide details of beneficiaries (Table-B); and
- They would have to report all suspicious transfers whenever they doubt such transfers occurred (Table-C).

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Report on Remittances				تقرير بالتحويلات التي تمت			
From / Date		To		إلى		من / تاريخ	
Name of Hawaladar				اسم وسيط الحوالة			
اسم المحول	مكان عمل المحول	الجنسية	رقم جواز السفر	المبلغ المحول	اسم الشخص المستفيد	بلد وجهة الأموال	الغرض من تحويل الأموال
Name of Remitter	Remitter's Place of Work	Nationality	Passport No.	Transferred Amount	Beneficiary's Name	Country of Destination of Funds	Purpose of Transferring Funds

جدول أ - Table A

Report on Inward Remittances					تقرير بالتحويلات الواردة		
From / Date		To		إلى		من / تاريخ	
Name of Hawaladar					اسم وسيط الحوالة		
اسم الشخص المستفيد	مكان عمل المستفيد	الجنسية	رقم جواز السفر	المبلغ المحول	اسم الشخص المحول	بلد وجهة الأموال	الغرض من تحويل الأموال
Name of Beneficiary	Beneficiary's place of work	Nationality	Passport No.	Transferred amount	Remitter's Name	Country of origin of funds	Purpose of transferring funds

جدول ب - Table B

تقرير معاملة مشبوهة Suspicious Transaction Report				
To be filled by the concerned Hawaladar :		يملأ من قبل وسيط الحوالة (الحوالدار) :		
Full name of customer :		الاسم الكامل للعميل :		
Passport No. / Details of licence :		رقم جواز السفر / تفاصيل الرخصة :		
Nationality :		الجنسية :		
Details of suspected transactions :		تفاصيل المعاملات المصرفية المشبوهة :		
اسم المحول وعنوانه	اسم المستفيد وعنوانه	المبلغ	التحويلات الواردة / التحويلات الصادرة	مصدر التحويل / وجهة التحويل
Remitter's Name & Address	Beneficiary's Name & Address	Amount	Inward transfer / Outward transfer	Country of origin / Destination
Source of suspicion :		مصدر الشك :		
Signature of Hawaladar :		توقيع وسيط الحوالة (الحوالدار) :		
Date :		التاريخ :		

جدول ج - Table C