

## inBrief

**Agents, dealers and service providers beware: UAE regulators to focus on DNFBP's**

By Stuart Walker | 21 February 2025

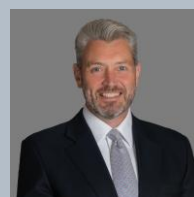
Speaking at a recent conference in Dubai, representatives of several of the UAE's regulatory authorities indicated that they will be significantly increasing their focus on the so-called Designated Non-Financial Business or Profession (DNFBP) sector. Senior members of the Dubai Financial Service Authority (DFSA), the UAE Ministry of Economy, the Securities and Commodities (SCA) and the Abu Dhabi Global Market Financial Services Regulatory Authority (FSRA) were unanimous in their commitment to cracking down on perceived weaknesses in the DNFBP sector, particularly in the context of anti-money laundering (AML) compliance.

The UAE is perhaps unusual in the number and variety of regulatory organisations with similar or overlapping remits, and businesses operating in the UAE are required to familiarise themselves with a number of different obligations, depending on where they fall in the regulatory mix. The precise definition of DNFBP therefore varies across the UAE, but broadly captures the following:

- Real estate agents;
- Dealers in precious metals and/or stones;
- Issuers and service providers in the field of virtual assets (crypto, tokens etc);
- Legal businesses, including notaries;
- Accounting, audit and insolvency firms; and
- Corporate service providers.

Anyone active in any of the above businesses in the UAE should be aware of their ongoing registration and reporting obligations. This includes all anti-money laundering (AML), Know Your Customers (KYC) and counter terrorist financing (CTF) obligations. The UAE regulators, not unreasonably, consider the DNFBP sector to be particularly vulnerable to exploitation by both criminals and terrorist financiers.

Companies active in the UAE in any of the above businesses should ensure that they are properly registered where required as a DNFBP, and that their compliance policies and procedures adequately reflect their current obligations. The UAE regulators have expressly stated that they will be taking enforcement action in the sector in the coming months and years. Afridi & Angell can advise and assist in this area. ■

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Stuart's primary practice includes employment, financial services regulation, corporate finance and mergers and acquisitions. He leads the field in advising parties during Dubai Financial Services Authority (DFSA) investigations and was instructed by the first authorised firm to be fined by the DFSA. He assists a variety of international clients with their tax planning. Stuart was admitted as a solicitor in England & Wales in 2001 and moved to Dubai in 2003.

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