

**Appendix 5**

In this Appendix underlining indicates new text and striking through indicates deleted text.



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# The DFSA Rulebook

Anti-Money Laundering, Counter-Terrorist  
Financing and Sanctions Module

(AML)

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## **11 MONEY LAUNDERING REPORTING OFFICER**

### **11.1 Application**

[deleted]

### **11.2 Appointment of a MLRO**

**11.2.1** (1) A Relevant Person must appoint an individual as MLRO, with responsibility for implementation and oversight of its compliance with the Rules in this module, who is suitable to perform the role and has an appropriate level of seniority and independence to act in the role.

(2) The MLRO in (1) and Rule 11.2.5 must be resident in the U.A.E, except in the case of the MLRO for a Registered Auditor.

**11.2.2** The individual appointed as the MLRO of a Representative Office must be the same individual who holds the position of Principal Representative of that Representative Office.

#### **Guidance**

1. Authorised Firms are reminded that under GEN Rule 7.5.1, the MLRO function is a mandatory appointment. For the avoidance of doubt, the individual appointed as the MLRO of an Authorised Firm, other than a Representative Office, is the same individual who holds the Licensed Function of Money Laundering Reporting Officer of that Authorised Firm. Authorised Firms are also reminded that the guidance under GEN Rule 7.5.2 sets out the grounds under which the DFSA will determine whether to grant a waiver from the residence requirements for an MLRO. The same guidance would apply by analogy to other Relevant Persons seeking a waiver from the MLRO residence requirements.

2. The individual appointed as the MLRO of an Authorised Market Institution is the same individual who holds the position of Money Laundering Reporting Officer of that Authorised Market Institution under the relevant AMI Rule.

**11.2.3** An Authorised Firm, other than a Representative Office, must appoint an individual to act as a deputy MLRO of the Authorised Firm to fulfil the role of the MLRO in his absence.

**11.2.4** A Relevant Person's MLRO must deal with the DFSA in an open and co-operative manner and must disclose appropriately any information of which the DFSA would reasonably be expected to be notified.

#### **Guidance**

1. The individual appointed as the deputy MLRO of an Authorised Firm need not apply for Authorised Individual status for performing the Licensed Function of Money Laundering Reporting Officer, subject to Rules in GEN section 11.6.

2. A Relevant Person other than an Authorised Firm should make adequate arrangements to ensure that it remains in compliance with this module in the event that its MLRO is absent. Adequate arrangements would include appointing a temporary MLRO for the period of the MLRO's absence or making sure that the Relevant Person's AML systems and controls allow it to continue to comply with these Rules when the MLRO is absent.

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## Anti-Money Laundering, Counter-Terrorist Financing and Sanctions Module (AML)

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- 11.2.5** A Relevant Person may outsource the role of MLRO to an individual outside the Relevant Person provided that the relevant individual under the outsourcing agreement is and remains suitable to perform the MLRO role.

### **Guidance**

Where a Relevant Person outsources specific AML tasks of its MLRO to another individual or a third party provider, including within a corporate Group, the Relevant Person remains responsible for ensuring compliance with the responsibilities of the MLRO. The Relevant Person should satisfy itself of the suitability of anyone who acts for it.