
REGULATORY LAW AMENDMENT LAW
DIFC LAW No. 6 of 2018

PART 1: GENERAL

1. Title

This Law may be cited as the “Regulatory Law Amendment Law 2018”.

2. Legislative Authority

This Law is made by the Ruler of Dubai.

3. Date of enactment

This Law is enacted on the date specified in the Enactment Notice in respect of this Law.

4. Commencement

This Law comes into force on the date specified in the Enactment Notice in respect of this Law.

PART 2: AMENDMENTS TO THE REGULATORY LAW 2004

5. The Regulatory Law 2004 shall be amended as prescribed in this Law.

6. In Article 8, insert a new paragraph (3A) as follows:

“In pursuing the objective referred to in (3)(d) in the context of money laundering, the DFSA shall:

(a) monitor and enforce, or assist other appropriate authorities to monitor and enforce, compliance with Federal Anti-Money Laundering Legislation, as well as legislation administered by the DFSA;

(b) prevent, detect and restrain conduct in so far as it relates to Relevant Persons; and

(c) comply with the provisions of Chapter 2 of Part 4.”

7. Article 60 is deleted.

8. Article 70 is replaced as follows:

“(1) This chapter is made in recognition of the application in the DIFC of Federal Law No. 4 of 2002 on Combating Money Laundering and Terrorist Financing, Federal Law No. 7 of 2014 on Combating Terrorism Offences and any other Federal legislation relating to money laundering, terrorist financing, the financing of unlawful organisations or sanctions non-compliance.

- (2) A reference in this chapter to:
 - (a) any law or legislation includes any implementing regulation or other instrument made by or under the law or legislation; and
 - (b) money laundering is taken to include terrorist financing, the financing of unlawful organisations and sanctions non-compliance.
- (3) The DFSA has, in respect of Relevant Persons, jurisdiction for regulation in relation to money laundering in the DIFC and the DFSA is the relevant authority that licenses and supervises Relevant Persons in the DIFC for the purposes of the Federal Anti-Money Laundering Legislation.
- (4) Nothing in (3) is intended to limit any function or power conferred on another body or authority under the Federal Anti-Money Laundering Legislation.
- (5) In this Part, a “Relevant Person” means:
 - (a) an Authorised Person;
 - (b) a Registered Auditor;
 - (c) a Designated Non-Financial Business or Profession (DNFBP); or
 - (d) an officer, employee or agent of a person referred to in (a), (b) or (c).”

9. Article 71 is replaced as follows:

- “(1) A Relevant Person shall comply with Federal Anti-Money Laundering Legislation as it applies to such person in the DIFC.
- (2) A Relevant Person shall comply with any duty, requirement, prohibition, obligation or responsibility to which that person is subject under the Rules.
- (3) Where the DFSA detects conduct which it suspects may relate to money laundering, it shall advise the relevant authority exercising powers and performing functions under the relevant Federal Anti-Money Laundering Legislation without undue delay.
- (4) A Relevant Person shall conduct customer due diligence in the circumstances prescribed by the Rules.

- (5) A Relevant Person shall maintain such records relating to customer due diligence, transactions and anti-money laundering measures as are prescribed by the Rules.”
10. After Article 71, insert the following new Articles 71A to 71G as follows:

“71A. DNFBP Prohibition

- (1) A person who is a DNFBP shall not carry on any activities in or from the DIFC unless that person is registered by the DFSA as a DNFBP.
- (2) The DFSA shall make Rules prescribing the class of persons who are DNFBPs.

71B. Criteria for Registration of a DNFBP

- (1) The DFSA shall make Rules setting out the criteria a person must meet to become and remain registered by the DFSA as a DNFBP. The Rules may, without limiting the generality of that power, include criteria related to:
- (a) the fitness and propriety of the person; and
- (b) its resources and arrangements for complying with Anti-Money Laundering Legislation.
- (2) The DFSA may make Rules providing that certain types of person may not be granted DNFBP registration.

71C. Application for Registration

- (1) A person may apply in the prescribed form to the DFSA to be registered as a DNFBP.
- (2) The DFSA may require the applicant to provide additional information or documents reasonably required for the DFSA to be able to determine the application including, but not limited to, information or documents relating to its activities, ownership, group structure, financial and other resources.
- (3) If at any time between filing an application and the grant or refusal of a DNFBP registration the applicant becomes aware of a material change reasonably likely to be relevant to the application, it shall inform the DFSA in writing of the change without delay.

71D. Grant of an Application

- (1) The DFSA may grant an application for DNFBP registration if it is satisfied that the applicant meets the criteria for registration under Article 71B.
- (2) When the DFSA decides to register a DNFBP, it shall as soon as practicable inform the applicant and the DIFC Registrar of Companies in writing of the decision and of the date on which registration is to take effect.

71E. Refusal of an Application

- (1) The DFSA may refuse to grant an application for DNFBP registration if it is not satisfied that the applicant meets the criteria for registration under Article 71B.
- (2) The procedures in Schedule 3 apply to a decision of the DFSA under (1).
- (3) If the DFSA decides to exercise its power under (1), the applicant may refer the matter to the FMT for review.
- (4) The DFSA must as soon as practicable notify the DIFC Registrar of Companies if it refuses to grant an application for DNFBP registration.

71F. Suspension and withdrawal of DNFBP Registration

- (1) The DFSA may suspend the registration of a DNFBP at the request of the DNFBP or on its own initiative.
- (2) The DFSA may withdraw the registration of a DNFBP:
 - (a) at the request of the DNFBP;
 - (b) if the DIFC Registrar of Companies notifies it that the DNFBP no longer holds the relevant commercial licence to operate in the DIFC; or
 - (c) on its own initiative.
- (3) The DFSA may exercise its power on its own initiative under (1) or (2)(c) if:
 - (a) the DNFBP no longer meets the criteria for DNFBP registration;
 - (b) the DNFBP is in breach of, or has been in breach of, the Law or Rules or other Anti-Money Laundering Legislation;

- (c) the DNFBP is insolvent or entering into administration;
 - (d) the DNFBP is no longer carrying on business in the DIFC; or
 - (e) the DFSA considers that exercising the power is necessary or desirable in the pursuit of its anti-money laundering objective in Article 8(3A).
- (4) The procedures in Schedule 3 apply to a decision of the DFSA under this Article to suspend or withdraw registration of a DNFBP on its own initiative.
 - (5) If the DFSA decides to exercise its power under this Article to suspend or withdraw registration of a DNFBP on its own initiative, the DNFBP may refer the matter to the FMT for review.

71G. Co-ordination between DFSA and Registrar of Companies

- (1) The DIFC Registrar of Companies shall not grant a person who is a DNFBP a commercial licence to operate in the DIFC until the DFSA has confirmed to the Registrar that it intends to register the person as a DNFBP.
- (2) The DFSA shall as soon as practicable notify the DIFC Registrar of Companies if it suspends or withdraws the registration of a DNFBP.
- (3) The DIFC Registrar of Companies shall as soon as practicable suspend or withdraw (as the case may be) the commercial licence of the DNFBP if it receives a notification under (2).”

11. In Defined Terms of the Schedule, insert the following new defined terms:

Term	Definition
Anti-Money Laundering Legislation	Means: (a) Federal Anti-Money Laundering Legislation; and (b) legislation administered by the DFSA relating to money laundering, terrorist financing, the financing of unlawful organisations and sanctions non-compliance.
DNFBP Prohibition	The prohibition in Article 71A (1) of the Law.
Federal Anti-Money Laundering Legislation	has the meaning given in Articles 70 (1) and (2) of the Law.
Money laundering	has the meaning given in Article 70 (2)(b) of the Law.
Relevant Person	has the meaning given in Article 70 (5) of the Law.

12. In Defined Terms of the Schedule, the definition of the term “DNFBP” is replaced as follows:

DNFBP	has the meaning prescribed in the Rules made pursuant to Article 71A (2) of the Law.
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