

CONSULTATION PAPER
NO. 1 OF 2026

**PROPOSED ENHANCEMENTS TO THE
ANTI-MONEY LAUNDERING
FRAMEWORK OF THE FSRA**

30 APRIL 2026



Table of Contents

Introduction.....	2
Background	4
Section A: Amendments to FSMR and AML Chapter 15	5
Section B: General amendments to AML	6
Section C: Third party and outsourced CDD, business partner due diligence and correspondent banking	10
Section D: Electronic funds transfers, Virtual Asset / Fiat-Referenced Token transfers and the travel rule.....	11
Section E: Miscellaneous changes	13
Annex, Appendices and Attachment	14

Introduction

Why we are issuing this consultation paper

1. The Financial Services Regulatory Authority (the “**FSRA**”) of Abu Dhabi Global Market (“**ADGM**”) has issued this consultation paper to invite public comment on proposed enhancements to its regulatory framework for anti-money laundering (the “**AML Framework**”), and to seek feedback on certain aspects of the current framework. In particular, various amendments are proposed in light of the enactment of:
 - a. Federal Decree by Law No. (10) of 2025 Concerning Combatting Money Laundering, Terrorism Financing and the Financing of Proliferation (the “**AML Law**”); and
 - b. Cabinet Resolution No. (134) of 2025 Concerning the Executive Regulations of Federal Decree by Law No. (10) of 2025 Concerning Combatting Money Laundering, Terrorism Financing and the Financing of Proliferation (the “**AML Regulations**”),together, the “**New Federal AML Laws**”.
2. In addition, we are proposing various miscellaneous amendments.
3. The consultation paper includes the following proposals:
 - a. **Section A** outlines proposed amendments to Financial Services and Markets Regulations 2015 (“**FSMR**”) to reflect the evolution of the AML Framework and the New Federal AML Laws, and corresponding amendments to Chapter 15 of the FSRA’s Anti-Money Laundering and Sanctions Rulebook (the “**AML Rulebook**”).
 - b. **Section B** summarises the various general amendments to the AML Rulebook we are proposing to reflect the evolution of the AML Framework and the New Federal AML Laws.
 - c. **Section C** sets out proposed revisions to our Rules relating to reliance on third-party customer due diligence (“**CDD**”), business partner due diligence, outsourcing CDD, and correspondent banking.
 - d. **Section D** outlines substantial revisions to the Rules relating to electronic fund transfers, transfers of virtual assets and the travel rule.
 - e. **Section E** sets out miscellaneous amendments to FSMR, AML, the General Rulebook (“**GEN**”), the Glossary (“**GLO**”) and the Guidance and Policies Manual (“**GPM**”).

Consultation Paper No. 1 of 2026

Who should read this consultation paper

4. This consultation paper will be of particular interest to all Authorised Persons, Recognised Bodies, Designated Non-Financial Businesses or Professions (“**DNFBPs**”), Non-Profit Organisations (“**NPOs**”), as well as applicant firms and their respective professional advisors.
5. More broadly, amendments to our AML Framework are relevant and should be of interest to all actual and prospective market participants in ADGM.

How to provide comments

6. All comments should be made in writing and sent to the email address specified below. Please put the consultation paper number in the subject line. If relevant, please identify the organisation you represent in providing your comments. The FSRA reserves the right to publish, including on its website, any comments you provide, unless you expressly request otherwise at the time of making any comments. The FSRA will give more weight to comments supported by reasoning and evidence.

What happens next

7. The deadline for providing comments on these proposals is 14 May 2026. When we receive your comments, we will consider whether any modifications to the proposed amendments are required. The FSRA will then proceed to enact the proposed amendments in their final form. You should not act on the proposed amendments described in this consultation paper until the relevant Rules are amended.

Comments to be emailed to:

Subject Line: Consultation Paper No. 1 of 2026

Email: fsra.consultation@adgm.com

Background

Capitalised terms contained in this consultation paper have the meanings attributed to them in the FSRA's Glossary Rulebook (GLO), unless otherwise defined in this consultation paper.

1. The prevention of financial crime continues to be a key priority for the FSRA to maintain the integrity of the financial services industry in ADGM, and we are working closely in this area with our national and international peers and other relevant authorities.
2. This consultation paper outlines certain proposed amendments to the FSRA's AML Framework, developed as part of a review of that framework. The overall objectives of this review are as follows:
 - a. to align FSMR and AML with the New Federal AML Laws;
 - b. to reflect the evolution of international best practices;
 - c. to refine provisions on correspondent banking, electronic fund transfers and transfers of Virtual Assets and Fiat-Referenced Tokens; and
 - d. to improve the clarity, structure and usability of the AML Rulebook.
3. The proposed enhancements provide additional clarity and helpful alignment with Federal AML Legislation. Federal AML Legislation applies in ADGM, and all Relevant Persons must comply with the applicable requirements in addition to our AML Framework. Accordingly, the proposed changes will have minimal impact on existing compliance requirements for Relevant Persons.
4. In supporting alignment with Federal AML Legislation, proposed amendments also reflect guidance issued by other competent authorities in the UAE and the development of international best practices, including those recommended by the Financial Action Task Force ("FATF"). We encourage respondents to give this context due consideration when providing feedback. We anticipate publishing the amendments proposed, taking into account any feedback received, shortly after the consultation period closes.
5. In this consultation paper, consistent with FSMR and the AML Rulebook, we use "AML/TFS" to mean anti-money laundering, including measures undertaken against terrorist financing, proliferation financing, financing of unlawful organisations and sanctions non-compliance, and the observance of and compliance with applicable Sanctions, including Targeted Financial Sanctions.

Section A: Amendments to FSMR and AML Chapter 15

6. In October 2025, FSMR was updated with a new section 1(3A) that reflected the FSRA’s commitment to protect the financial services industry in ADGM from Financial Crime, to monitor and enforce compliance with Federal AML legislation and our own AML Framework, and to take action against Relevant Persons where necessary. Relevant Persons comprise Authorised Persons, Recognised Bodies, DNFBPs and NPOs.
7. We are now proposing discrete changes to streamline and clarify aspects of the legislative framework underpinning our efforts to combat Financial Crime, including:
 - a. aligning the FSMR definition of money laundering with our AML Rulebook;
 - b. reflecting the role of other authorities in AML/TFS supervision and licensing in ADGM;
 - c. moving the prohibition against unlicensed DNFBP activity and requirements for registration and licensing from the AML Rulebook to new sections 15C and 15D of FSMR;
 - d. confirming authority for the FSRA and the ADGM Registration Authority to agree the delegation of aspects of licensing and supervision of DNFBPs from the FSRA to the Registration Authority from time to time;
 - e. aligning defined terms such as “money laundering” and “DNFBP” between FSMR and AML; and
 - f. updating references to Federal AML Legislation to reflect the New Federal AML Laws and clarifying the definition of Financial Crime.
8. The proposed amendments, including those concerning DNFBP registration and the delegation of certain supervisory powers, refine the regulatory structure and enhance transparency, but should have no substantive impact on DNFBPs. The FSRA considers all proposed amendments necessary and appropriate to reflect the distribution of regulatory responsibility for AML/TFS supervision and to ensure alignment across FSMR, the AML Rulebook and Federal AML Legislation. Various typographical corrections or definitional tidying changes are also proposed in FSMR.
9. Amendments proposed to Chapter 15 of the AML Rulebook correspond with those made to FSMR in relation to DNFBPs. In addition, Guidance has been included to foreshadow potential restrictions on cash dealing by DNFBPs in pursuant to commercial legislation in force in ADGM from time to time. Any

Consultation Paper No. 1 of 2026

such restrictions will be consulted upon by the Registration Authority as and when appropriate.

Question 1

Do you agree with the proposed revisions to FSMR?

Question 2

Do you agree with the proposed revisions to Chapter 15 of the AML Rulebook?

Section B: General amendments to AML

Chapters 1-3

10. The FSRA proposes a range of amendments to the AML Rulebook to reflect the evolution of the AML Framework and the New Federal AML Laws, and to improve the clarity, structure and usability of the AML Rulebook. Most of these changes are non-substantive, and none are expected to impose increased compliance burden on Relevant Persons.
11. We propose minor updates to Chapter 1 of AML to reflect references to other specific chapters that have been amended. Chapter 2 has been updated to provide an up-to-date and comprehensive overview of the AML Framework, including the application of and updates to Federal AML Legislation, as well as the role of other competent authorities in the UAE. Where appropriate, we have removed or condensed repetitive or out-of-date content in Chapter 2, and co-located Guidance on the same topic.
12. In Chapter 3, various defined terms have been updated to reflect changes in nomenclature or align with FSMR and/or other Rulebooks. These amendments should be self-explanatory, and the FSRA does not expect them to be contentious. In particular:
 - a. references to pieces of Federal AML Legislation have been updated;
 - b. the definition of a Company Service Provider has been amended to remove the reference to trust services, as Providing Trust Services is a Regulated Activity in ADGM;
 - c. defined terms relevant to operative provisions relating to correspondent banking in Chapter 10 have been updated to more accurately reflect the nature of the activities covered and the roles/responsibilities of the relevant parties;

Consultation Paper No. 1 of 2026

- d. for clarity, defined terms relating to the different levels of CDD have been included, covering simplified, standard and enhanced CDD;
 - e. pursuant to the amendments to FSMR, as outlined above, DNFBPs will now be defined in the AML Rulebook rather than in FSMR to ensure greater alignment and efficiency; and
 - f. the definitions of Money-Laundering Reporting Officer (“**MLRO**”), Politically Exposed Person (“**PEP**”) and Senior Management have been updated for greater clarity and alignment with Federal AML Legislation.
13. For the purposes of the AML Framework, the definition of a Financial Institution now needs to include Recognised Bodies. The need for this change is not universal across the FSRA’s legislation. Accordingly, we propose to amend the definition of a Financial Institution in the AML Rulebook, but not more broadly and have proposed an amendment to GLO to highlight this difference.

Chapter 4

14. Amendments to Chapter 4 reflect enhancements in line with the New Federal AML Laws, including the requirement for Senior Management to approve a Relevant Person’s AML/TFS systems and controls and for Senior Management to receive regular information on the operation thereof. The requirement to screen employees, previously Guidance under Chapter 12, has been added to AML 4.1.1.
15. For greater clarity and to remove duplication, we have combined elements of what was previously set out in AML 6.2 into AML 4.1, and confirmed expectations that the scope of the annual review of AML/TFS systems and controls must include consideration of the up-to-date business risk assessment that is maintained by the Relevant Person pursuant to Chapter 6. Additional Guidance has been included to assist Relevant Persons with compliance.
16. Restrictions in relation to high-risk jurisdictions have been captured in AML 4.9, in line with guidance issued by the National Anti-Money Laundering and Combating Financing of Terrorism and Financing of Illegal Organisations Committee of the UAE (“**NAMLCFTC**”). Relief from the obligation to file the annual AML Return for Relevant Persons that are licensed after 1 November in any calendar year has been clarified. None of the changes proposed in Chapter 4 are anticipated to create additional regulatory burden of any substance.

Chapter 6

17. Revisions to Chapter 6 are proposed to aid the understanding by Relevant Persons that the business risk assessment is a two-stage process requiring, firstly, an assessment of all the relevant risks (inherent risk) and then implementation and assessment of appropriate systems and controls to manage that risk to an appropriate level (residual risk). A new requirement for risk assessments to be approved by Senior Management, in line with the FATF Recommendations, has been added.
18. A new AML 6.1.3 confirms that the business risk assessment must be kept up to date at all times, with associated Guidance clarifying the FSRA's expectation that a review should occur no less than annually. Relevant requirements of AML 6.2 have been moved to AML 4.1 and AML 6.1.5 to condense expectations appropriately, and additional Guidance has been added.

Chapters 7-8

19. Revisions to Chapter 7 include removing Guidance that is no longer necessary or relocating it under the relevant Rule to support compliance by Relevant Persons. Amendments to AML 7.1.1 are proposed to provide greater clarity that the customer risk assessment should be updated as part of ongoing CDD throughout the customer relationship. AML 7.1.2(2) mandates application of a high-risk rating to foreign PEPs, customers with exposure to high-risk jurisdictions and customers who are seeking to transfer assets to or from unhosted wallets, whereas the risk rating applied to domestic PEPs and PEPs related to international organisations will be subject to an assessment of the associated risks pursuant to AML 7.1.2(3).
20. In Chapter 8, amendments are proposed to align with the New Federal AML Laws, including:
 - a. clarifying the distinction between standard, enhanced and simplified CDD;
 - b. revising AML 8.2 to make the timing of CDD explicit;
 - c. adding customer identification requirements in AML 8.3.2(2) for Natural Persons and 8.3.2(3) for Bodies Corporate;
 - d. identifying Senior Management as the ultimate Beneficial Owner of a Body Corporate in the absence of any other Natural Persons being identifiable in AML 8.3.3;
 - e. requiring Senior Management approval to continue a customer relationship as part of enhanced CDD; and

Consultation Paper No. 1 of 2026

- f. including Guidance relating to obtaining adequate information to identify Beneficial Owners pursuant to the requirements of Federal AML Legislation.
21. Various typographical corrections or definitional changes to provide clarity are also proposed. Some Guidance has been moved to sit closer to the relevant Rule to which it relates. Guidance that is no longer considered necessary has been removed and additional Guidance has been added. Where deemed appropriate, content has been re-ordered to make the Rulebook more readable and user-friendly. The changes refine existing obligations without imposing meaningful new requirements.

Chapters 11-14 and Chapter 16

22. A majority of the amendments to Chapters 11-14 and Chapter 16 of AML have been made to align the AML Framework with the New Federal AML Laws and guidance issued by relevant federal authorities where appropriate, or to streamline drafting to enhance readability and consistency across the AML Framework. Unnecessary Rules and Guidance have been deleted.
23. In Chapter 12, a minor amendment to AML 12.1.1 ensures it is clear that the appointment of an appropriate MLRO is subject to the FSRA's approval for all Relevant Persons. This does not represent a substantive change from how the framework currently operates in practice. In addition, we propose removing the requirement that the MLRO of a Representative Office be the same as the individual appointed as the Principal Representative, as this is not always desirable. We revised the Guidance regarding MLROs being resident in the UAE to ensure that it is clear that such waivers will be granted only by exception, in limited circumstances and for a limited duration.

Question 3

Do you agree with the proposed revisions to Chapters 1-3 of the AML Rulebook?

Question 4

Do you agree with the proposed revisions to Chapter 4 of the AML Rulebook?

Question 5

Do you agree with the proposed revisions to Chapter 6 of the AML Rulebook?

Question 6

Do you agree with the proposed revisions to Chapters 7-8 of the AML Rulebook?

Question 7

Do you agree with the proposed revisions to Chapters 11-14 and Chapter 16 of the AML Rulebook?

Section C: Third party and outsourced CDD, business partner due diligence and correspondent banking

Third Party and Outsourced CDD – Chapter 9

24. The FSRA proposes various revisions to AML 9.1 and 9.3 to ensure that the distinction between relying on a third party's CDD and outsourcing CDD is clear. In addition, amendments are proposed to AML 9.1, including:
- preventing reliance on CDD high-risk jurisdictions in line with countermeasures published by the NAMLCFTC;
 - allowing for reliance upon appropriate CDD undertaken by an ADGM-based law firm;
 - removing unnecessary drafting in 9.1.1(4) in relation to reliance upon CDD undertaken by Group members and align the Rule with current FATF guidance; and
 - providing Guidance on our regulatory expectations in relation to Client Money accounts.
25. Requirements in AML 9.2 for business partner due diligence have been streamlined. Amendments have been made to consolidate requirements specific to correspondent banking in Chapter 10, as detailed below. New Guidance reflecting the prohibition on Payment Service Providers accepting and distributing physical cash, as set out in COBS 19.7.1, has been included.

Correspondent banking – Chapter 10

26. To update the current requirements for correspondent banking arrangements in relation to AML/TFS, and to align with the New Federal AML Laws, the following amendments are proposed:
- revised or new definitions to more accurately reflect the respective roles in a correspondent banking relationship or similar relationships;

Consultation Paper No. 1 of 2026

- b. obligations relating to correspondent banking counterparty due diligence in what was AML 9.2 to be consolidated into AML 10.1 (previously AML 10.2); and
- c. streamlining of various provisions, including the use of defined terms where available.

Question 8

Do you agree with the proposed revisions to AML 9.1 regarding reliance on third-party CDD?

Question 9

Do you agree with the proposed revisions to AML 9.2 regarding business partner due diligence?

Question 10

Do you agree with the revisions to AML 9.3 regarding the outsourcing of CDD?

Question 11

Do you agree with the consolidation and enhancement of AML 10.2, now in AML 10.1, relating to correspondent banking, and the associated definitional amendments made in AML 3.2?

Section D: Electronic funds transfers, Virtual Asset / Fiat-Referenced Token transfers and the travel rule

27. In AML 10.2 and 10.3, the FSRA is proposing substantive enhancements to its AML Framework. To date, AML 10.3 has governed wire transfers and all other value transfer arrangements, including the transfer of Virtual Assets and Fiat-Referenced Tokens (“**VA/FRT transfers**”). In light of the New Federal AML Laws, and to acknowledge the recent publication by the NAMLCFTC of its expectations in relation to application of the travel rule to VA/FRT transfers by UAE-based firms, the FSRA proposes to revise its current requirements to ensure regulatory clarity for market participants and to support consistency for Virtual Asset Service Providers (as defined in Federal AML Legislation) operating across the UAE.

28. Accordingly, in relation to wire transfers, we propose to:

Consultation Paper No. 1 of 2026

- a. amend the nomenclature applicable to AML 10.2 to ensure that the application to all forms of electronic funds transfer is clear;
 - b. update our requirements to differentiate between originating and beneficiary institutions when it comes to identity verification;
 - c. align AML 10.2 more closely with the New Federal AML Laws; and
 - d. make consequential amendments to drafting and defined terms used specifically in AML 10.2.
29. The changes proposed in relation to VA/FRT transfers are of substance. The revisions proposed, however, reflect a nuanced and technologically appropriate approach that does not increase regulatory obligations from the Rules that currently apply to all transfers pursuant to the existing Chapter 10 of AML. We propose:
- a. new Rules for VA/FRT transfers specifically, as proposed at AML 10.3, distinct from the requirements set out in AML 10.2;
 - b. distinguishing between the requirements on originating and beneficiary institutions in relation to VA/FRT transfers;
 - c. setting out requirements for all Authorised Persons and Recognised Bodies to have appropriate policies, procedures and record-keeping arrangements in place in relation to VA/FRT transfers, and to undertake adequate counterparty due diligence;
 - d. aligning obligations with relevant guidance issued by federal authorities where appropriate, and distinguishing the requirements for domestic transfers or those with a value under USD 1,000 from those applicable to cross-border or higher value VA/FRT transfers; and
 - e. including specific requirements in relation to transfers to unhosted wallets.
30. When considering our proposals as set out in AML 10.3, stakeholders should take into account other regulatory frameworks applicable to VA/FRT transfers in the UAE, as well as the NAMLCFTC publication and relevant FATF Recommendations.

Question 12

Do you have any comments on the FSRA's proposed Rules for electronic transfers as proposed in AML 10.2?

Question 13

Do you have any comments on the FSRA's proposed VA/FRT transfer Rules as proposed in AML 10.3?

Question 14

Do you have any comments on any other aspects of the revisions proposed to Chapter 10 of the AML Rulebook?

Section E: Miscellaneous changes

31. The FSRA proposes miscellaneous amendments to FSMR, AML, GEN and GLO, and minor consequential changes to GPM to reflect amendments to the AML Rulebook.
32. In GEN, we have truncated Guidance under GEN 5.5.2 relating to Compliance Officers and MLROs being resident in the UAE and clarified that any such waiver will be for a limited period. In GEN 8.6 we propose extending the duration of temporary cover for an Approved Person from twelve to twenty-six weeks.
33. The changes in GLO reflect changes made to FSMR and AML as referenced earlier in this paper, or are typographical in nature. In GPM, we have proposed that the criteria we may consider when assessing whether an Approved Person is fit and proper should also apply to the MLRO of a DNFBP.

Question 15

Do you have any comments on the proposed miscellaneous amendments?

Annex, Appendices and Attachment

The proposed legislative amendments are set out in the following documents.

- **Annex A** Proposed amendments to FSMR
- **Appendix 1** Proposed amendments to AML
- **Appendix 2** Proposed amendments to GEN
- **Appendix 3** Proposed amendments to GLO
- **Attachment 1** Proposed amendments to GPM