

REGULATORY INTELLIGENCE

United Arab Emirates enacts new AML law, anticipates FATF visit in 2026

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Peter Shaw-Smith in Dubai

After the Financial Action Task Force (FATF) delisted the United Arab Emirates as a state with deficient anti-money laundering (AML) controls in February 2024, the country aims to avoid new criticism during next year's mutual evaluation. For this and other reasons, the UAE's introduction of a new AML law is timely.

Effective October 14, the UAE has issued Federal Decree Law No. 10 of 2025 to enhance its AML and countering the financing of terrorism (CFT) legal and regulatory framework.

The new law repeals Federal Decree Law No. 20 of 2018, reinforcing the UAE's commitment to the FATF's 40 recommendations for combating money laundering, terrorism financing and the funding of weapons of mass destruction (i.e., proliferation financing), said Adam Vause, partner at law firm DLA Piper in Dubai.

"By further aligning its legislative framework with the FATF's standards and international best practices, the UAE continues to seek to position itself as a secure and attractive place to conduct business," Vause said.

For the UAE, the stakes have never been higher, as it continues to gain plaudits for its oversight of digital transformation, cryptocurrency trading and fintech adoption, alongside its status as an international financial centre between Frankfurt and Singapore.

FATF 'grey list' removal

In 2020, the FATF published an adverse mutual evaluation report on the UAE, which, despite a UAE follow-up report in January 2022 purporting to set out its compliance progress, led the standard-setter to place the UAE on its "jurisdictions under increased monitoring" list, also known as the "grey list," in March of that year.

In February 2024, the FATF removed the UAE from its grey list, welcoming "significant progress in improving its AML/CFT regime." The UAE's next mutual evaluation by the FATF is scheduled for June 2026.

David Berman, local partner at law firm White & Case in Dubai, said that, in addition to introducing offences for proliferation financing, the new law was designed to combat illicit activities involving digital systems and virtual assets, especially terrorism financing.

While the UAE would no doubt discuss the implications of the new AML law with the FATF as part of the upcoming evaluation, Berman said the upcoming process was unlikely to be the primary driver of recent reforms.

"Rather, the UAE's ongoing development of its AML and CTF regime reflects its commitment to demonstrating to local, regional and global financial markets that combating financial crime remains a top priority for the country as a leading global financial and economic centre and will continue to do so," Berman said.

Vause said the new law would significantly enhance the UAE's framework for combating money laundering, terrorism and proliferation financing. It strengthens investigative and enforcement mechanisms and places greater responsibility on corporates and senior managers to prevent misconduct, he said.

"Under the new law, companies can now be held liable not only for [money laundering and terrorism financing] offences committed by their employees and representatives—as was previously the case — but also for a much broader range of offences. Managers may also face personal liability not only for offences committed with their knowledge, but also for crimes arising from breaches of their obligations," Vause said.

Strengthening financial intelligence

According to Benjamin D. Jones, a partner at law firm Greenberg Traurig in Dubai, one of the new law's most significant elements pertains to strengthening the country's financial intelligence unit (FIU), which will now enjoy express statutory independence for the first time. The law grants the FIU enhanced investigative and freezing powers, including the ability to impose unnotified asset holds for up to 30 days without prior authorisation from the UAE's attorney general.

"This marks a decisive shift towards operational autonomy and agility in responding to suspected illicit transactions, a structural enhancement that is likely to be felt in practice through more assertive enforcement activity," Jones said.

The new law addresses long-standing deficiencies in inter-agency coordination, transparency and enforcement, he said. From a strategic perspective, the reforms will strengthen the UAE's position as a trusted international financial hub. By simplifying the sanctions landscape and providing a unified compliance structure, it reduces friction for legitimate cross-border business.



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"The result is likely to be greater confidence among international banks, investors and fintech operators that the UAE is not only compliant but operationally capable of deterring financial crime," Jones said.

"While compliance costs for firms will inevitably rise, the reputational dividends of a cleaner and more credible jurisdiction are significant. The law, therefore, represents not just a compliance imperative but a competitive advantage."

Executive office

Under Hamid Al Zaabi, secretary general and vice chair of the newly dubbed National Anti-Money Laundering and Combating the Financing of Terrorism and Proliferation Financing Committee, the executive office for AML/CFT and the committee have proven instrumental in driving the UAE's reform agenda, Jones said.

The institutional coordination and stakeholder engagement that underpinned the 2025 law reflect a markedly more sophisticated regulatory culture than that which existed just a few years ago, he said.

In announcing a new central bank law, amendments to arbitration legislation and the establishment of the regulatory intelligence office to enable artificial intelligence to draft and revise legislation, the UAE is intent on spurring business and formulating an effective regulatory framework.

"The UAE is moving from compliance as a matter of form to compliance as a matter of substance — and the 2025 AML law is both the foundation and the symbol of that transformation," Jones said.

(Peter Shaw Smith, for CUBE Regulatory Intelligence)

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