May 2026 AML/CFT and Sanctions Notices

Regulatory update and FI outreach deck for Banks, Exchange Houses and Insurance Companies

Vertex Compliance supports Financial Institutions in translating new regulator expectations into practical AML/CFT, transaction monitoring, sanctions screening and governance enhancements.

Prepared for outreach and engagement discussions

About Speakers

Vasantha Mohan

Vasantha holds a Master’s in Law specialising in Banking Laws and Anti-Money Laundering and is CAMS and CGSS certified. With over 35 years of experience, she has worked closely with regulators and international financial institutions, building financial crime risk frameworks, sanctions monitoring programmes, and compliance systems across multiple jurisdictions.

Sridhar Rajam

Sridhar is a Certified Anti-Money Laundering Investigator (CAMI) with over 30 years of experience in compliance, risk, and audit, including more than 20 years in AML and financial crime prevention. He has contributed to the development of UAE regulatory standards through the FERG sub-committee and has maintained active engagement with the Central Bank of the UAE on supervisory and compliance matters.

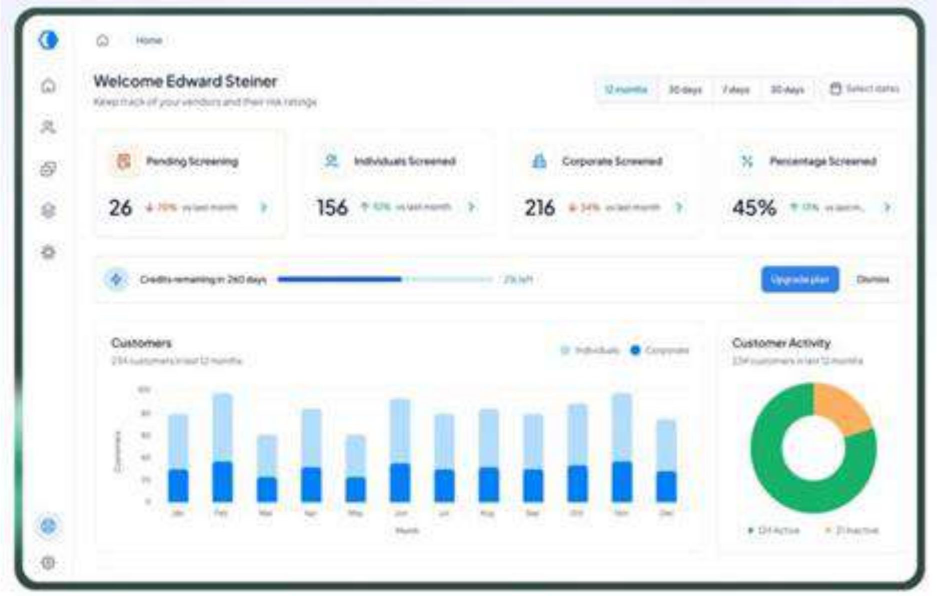
About Us

About Citadel365

Citadel365 is a single, integrated AML/CFT platform that turns episodic checklists into a continuous, auditable compliance lifecycle, built by AML/CFT veterans from Vertex Compliance.

Citadel365 supports:

- Customer onboarding with self-KYC and document capture, which shortens the onboarding life cycles
- Sanctions, PEP, and adverse media screening in real time with exportable, timestamped records
- Risk assessment module with configurable scoring, thresholds, and weightages
- Case management with clear controls and audit trails



The software supports DNFBPs, VASPs, banks, fintechs, financial institutions, and regulated entities, shaping their compliance practices for what comes next.

About Vertex Compliance

Vertex Compliance is a leading provider of comprehensive compliance and risk management solutions, dedicated to helping businesses navigate complex regulatory environments.

Vertex specialises in AML, KYC, and regulatory compliance, offering tailored solutions to meet the unique needs of various industries.

We also provide consulting services pertaining to FATCA/CRS, Data Protection Laws, and Trade Finance Compliance.

Purpose of This Outreach Deck

Why FIs need to act

- CBUAE issued May 2026 notices reminding FIs to update AML/CFT and sanctions controls.
- The updates touch policies, procedures, risk appetite, screening systems and transaction monitoring.
- The attached alerts introduce practical typologies for Iran, IRGC, maritime activity, front companies and digital assets.

How Vertex can help

- Interpret regulatory expectations and convert them into project plans.
- Refresh AML/CFT, sanctions, CDD, EDD, STR/SAR, list management and TMS procedures.
- Independently validate design and operating effectiveness after implementation.

Target audience: Board, Senior Management, Compliance Officers, MLROs, AML Operations, Sanctions Teams, Internal Audit and Risk Management.

Source Documents Reviewed

Document	Regulatory theme
CBUAE Notice 3083	Updated AML/CFT and Illegal Organisations Guidelines for FIs; immediate effect.
Updated AML/CFT Guidelines	Comprehensive FI guidance aligned to the 2025 AML/CFT legal framework.
CBUAE Notice 3075	Reminder to review sanctions risk appetite and update policies, procedures and screening systems.
OFAC Alert - Strait of Hormuz	Sanctions risks from Iranian safe-passage toll demands and maritime-related payments.
FinCEN Alert - IRGC	IRGC front companies, financial facilitators, exchange houses, shadow banking and digital asset infrastructure.
FinCEN Press Release	Public summary of FinCEN focus on IRGC oil smuggling, front companies and red flags.

Executive Message for Financial Institutions

Immediate expectation

- Review the impact of the attached notices on the FI AML/CFT and sanctions control framework.
- Update policies, procedures, risk appetite and system controls to reflect new regulatory expectations.
- Evidence the review through gap assessment, action tracker, senior management approval and implementation records.

Business impact

- Banks should reassess correspondent, trade finance, maritime and sanctions exposure.
- Exchange houses should update TMS typologies, third-party / front company red flags and high-risk country controls.
- Insurance companies should review policyholder, beneficiary, refund, premium payment and sanctions screening controls.

Regulatory Impact Snapshot

Policy refresh

- AML/CFT policy
- CDD/EDD procedures
- NPO account controls
- Sanctions policy
- STR/SAR procedure

System changes

- Screening lists and filters
- TMS typology scenarios
- High-risk jurisdiction rules
- Maritime / vessel red flags
- Digital asset exposure flags

Governance evidence

- Gap assessment
- RAS review
- Board / SM approval
- Implementation tracker
- Independent validation

Vertex proposition: a structured implementation package covering regulatory interpretation, documentation updates, system control design, staff training and independent validation.

A. CBUAE Notice 3083 and Updated AML/CFT Guidelines

Key salient features, FI change requirements and implementation projects

CBUAE Notice 3083 - Salient Features

- Issued to all Financial Institutions operating in the UAE, dated 22 May 2026.
- References the earlier CBUAE Notice 3599 dated 13 July 2023 and updates the FI AML/CFT Guidelines.
- Adds a specific paragraph under the Non-Profit Organisations requirements in Article 6.4.6.
- Requires bank accounts for Public Welfare Associations to be opened only pursuant to a certificate issued by the Competent Authority.
- Confirms the updated Guidelines come into force with immediate effect.

Vertex client message

- FIs should not treat this as a minor wording change; the update requires account-opening controls, documentary evidence and staff guidance for Public Welfare Association relationships.

Updated AML/CFT Guidelines - Scope and Legal Framework

Applicability

- Applies to FIs operating in the UAE and free zones.
- Covers banks, finance companies, exchange houses, MSBs, insurance companies, agencies, brokers and other FIs.
- Applies to board members, management and employees.

Legal alignment

- Aligned to Federal Decree-Law No. 10 of 2025 and Cabinet Decision No. 134 of 2025.
- Guidance does not replace laws, regulations or regulatory rulings.
- FIs remain responsible for assessing and meeting statutory obligations.

Policy impact: AML/CFT policies should be updated to reference the current 2025 law and Cabinet Decision, not only the earlier 2018/2019 framework.

Updated Guidelines- Risk Assessment and RBA

- FIs must identify, assess, understand, document and continuously update ML/TF risk exposure.
- Business-wide risk assessment should cover customers, products, services, transactions, delivery channels and geographies.
- Risk methodology should use quantitative and qualitative data, internal stakeholder input and official sources such as NRA, topical risk assessments and FIU typologies.
- Methodology should define weightings, likelihood, impact, inherent risk, control effectiveness and residual risk.
- Residual risk should be compared with the FI risk appetite and additional controls implemented where needed.

Vertex project opportunity: ML/TF/PF Risk Assessment refresh, methodology validation, risk appetite alignment and Board-approved action plan.

Updated Guidelines - CDD, UBO and Customer Profiling

CDD expectations

- Customer identification and verification before or during onboarding, or before occasional transactions.
- Customer risk profile must reflect purpose, expected activity, ownership, control and source of funds where relevant.
- Ongoing monitoring must compare actual transactions against customer profile and expected activity.

Corporate / UBO focus

- Identify and verify natural persons owning or controlling 25% or more.
- Look through intermediate entities and legal arrangements to ultimate natural persons.
- Maintain structure charts, senior management details, subsidiaries and operating locations.

System impact: CRM / onboarding systems should capture mandatory KYC fields, UBO layers, risk factors, periodic review dates and approval workflows.

Updated Guidelines - EDD, PEPs and High-Risk Countries

- Enhanced Due Diligence is required for high-risk customers, high-risk transactions, PEPs, high-risk countries, correspondent relationships and similar higher-risk relationships.
- PEP controls should include screening, source of funds / source of wealth checks and senior management approval.
- High-risk country controls should include enhanced verification, purpose analysis, transaction review and management reporting.
- Country risk methodology should consider FATF, NAMLCFTC, NRA and other relevant official sources.
- EDD procedures should specify triggers, evidence, approvals, periodic review and escalation requirements.

Vertex support: EDD framework design, PEP process review, country risk methodology, approval templates and high-risk customer file remediation.

Updated Guidelines - Wire Transfers and Ongoing Monitoring

Wire transfer controls

- Originator and beneficiary information should accompany wire transfers.
- Cross-border wire transfers equal to or above AED 3,500 require required originator / beneficiary details.
- FIs should define procedures for missing or incomplete information.

Monitoring controls

- Use risk-based customer, transaction, location and threshold rules.
- Review transaction purpose and payment descriptions for red flags.
- Document monitoring methodology and obtain senior management approval.

TMS impact: scenarios should be mapped to current typologies, high-risk countries, customer segments, expected activity and alert investigation procedures.

Updated Guidelines - STR/SAR and Post-Reporting Controls

- FIs must promptly report suspicious transactions to the FIU through goAML when suspicion or reasonable grounds exist.
- Suspicious activity indicators must be maintained and updated in line with supervisory instructions and evolving typologies.
- There is no minimum monetary threshold for suspicion, which is especially important for terrorism and illegal organisation financing.
- Procedures must protect confidentiality and prohibit tipping off.
- FIs should define how to handle transactions and business relationships after STR filing.

Vertex support: STR/SAR procedure refresh, case management template, post-reporting action framework and investigator training.

Updated Guidelines - Governance, Training, Audit and Records

Governance

- Compliance Officer appointment and responsibilities.
- Senior management oversight and reporting.
- Group oversight where branches or subsidiaries exist.

Training and audit

- Staff screening and AML/CFT training aligned to risk exposure.
- Independent audit to test the adequacy and effectiveness of AML/CFT policies, controls and procedures.
- Audit scope should include CDD, screening, monitoring, alerts and training.

Record keeping

- Maintain transaction, CDD, business correspondence and analysis records.
- Ensure records are organised for data analysis and transaction tracing.
- Retain STR and investigation records with confidentiality controls.

Implementation evidence should be Board / SM approved and supported by policy versions, registers, system screenshots, reports and validation records.

Updated Guidelines - NPO and Public Welfare Association Controls

New specific requirement

- Bank accounts for Public Welfare Associations must be opened pursuant to a certificate issued by the Competent Authority.
- The Competent Authority is the Local Authority or Ministry in the Emirate where there is no Local Competent Authority.
- This should be reflected in onboarding, approval and periodic review procedures.

Wider NPO due diligence

- Confirm licensing / registration and donation account authority.
- Assess NPO AML/CFT controls, ownership, management, donor base, beneficiaries and operating geographies.
- Screen key persons, major donors and major beneficiaries for sanctions and adverse information.

Required FI Changes - Notice 3083 and Updated Guidelines

Document / Procedure	Change required
AML/CFT Policy	Update legal references, RBA expectations, CDD/EDD, STR/SAR, governance and record keeping sections.
Customer Onboarding SOP	Update natural person, legal person, UBO, authorised signatory and Public Welfare Association controls.
EDD Procedure	Strengthen PEP, high-risk country, high-risk customer, MVTS, correspondent and NPO EDD evidence.
Risk Assessment Methodology	Document risk factors, scoring, weightings, residual risk, risk appetite and update frequency.
Training Plan	Include updated legal framework, NPO controls, typologies, STR/SAR and governance responsibilities.

Recommended Projects - Notice 3083 Implementation

1. Regulatory gap assessment

- Map existing framework against the updated Guidelines.
- Classify gaps by regulatory priority and operational impact.
- Prepare Board / SM action tracker.

2. Policy and SOP uplift

- Update AML/CFT policy, CDD, EDD, STR/SAR and NPO procedures.
- Align forms, checklists and approval templates.
- Document version control and approvals.

3. System and file remediation

- Review onboarding fields and risk rating logic.
- Identify high-risk and NPO customer populations.
- Remediate files and document evidence.

4. Training and validation

- Deliver role-based awareness to compliance and frontline teams.
- Validate design and sample operating effectiveness.
- Prepare closure pack for regulators / auditors.

B. CBUAE Notice 3075 and Sanctions Alerts

Transaction monitoring, sanctions screening, Iran / IRGC typologies and extra-territorial implications

CBUAE Notice 3075 - Salient Features

- Issued to all Financial Institutions operating in the UAE, dated 22 May 2026.
- References CBUAE Notice 208 dated 12 January 2024 on transaction monitoring and sanctions screening.
- Reminds Licensed FIs to review their sanctions risk appetite.
- Requires FIs to update policies, procedures and screening systems in line with sanctions programme developments.
- Specifically highlights sanctions programmes with extra-territorial implications.
- Includes recent sanctions-related alerts and a press release for review and necessary action.

Notice 3075 - Sanctions Risk Appetite and Screening System Updates

Risk appetite review

- Reassess exposure to Iran, IRGC, maritime, oil, petrochemical and digital asset-related sanctions risks.
- Define prohibited, restricted and enhanced-review relationships and transactions.
- Align risk appetite with country risk, customer risk, product risk and correspondent / counterparty exposure.

Screening system update

- Update list coverage, aliases, country filters, vessel / maritime identifiers and alert escalation logic.
- Review thresholds, fuzzy matching, false-positive rationale and quality assurance checks.
- Ensure audit trail for list updates, screening results, overrides and approvals.

Vertex support: sanctions risk appetite refresh, screening methodology review, threshold testing, QA framework and alert closure standards.

OFAC Alert - Strait of Hormuz Salient Features

- Alert warns of sanctions risks linked to Iranian demands for toll or safe-passage payments through the Strait of Hormuz.
- Payment methods may include fiat currency, digital assets, offsets, informal swaps or in-kind payments.
- Nominal charitable donations to Iranian Red Crescent Society, Bonyad Mostazafan or Iranian embassy accounts are highlighted as potential payment routes.
- Risks apply regardless of payment method and may affect U.S. and non-U.S. persons.
- Non-U.S. financial institutions may face secondary sanctions exposure for certain Iran / IRGC-related activity.

OFAC Alert - FI Control Changes to Consider

Policy / procedure changes

- Add safe-passage toll and maritime fee typologies to sanctions procedures.
- Prohibit or escalate payments linked to Iranian safe-passage demands.
- Update charity / donation payment controls for potential Iran-related routing.

Monitoring / screening changes

- Screen vessels, ports, shipping parties, insurers, brokers and vessel service providers where relevant.
- Review voyage details, Iranian territorial waters, port calls and counterparties.
- Ask counterparties whether safe-passage fees were paid or will be paid.

Priority use cases: trade finance, shipping-related payments, marine insurance, correspondent banking, exchange-house commercial remittances and high-risk corporate transactions.

FinCEN Press Release - Salient Features

- FinCEN issued an alert to help FIs identify and stop funding streams and procurement networks supporting the IRGC.
- Highlights IRGC use of illicit oil sales, shell companies, exchange houses and front companies to launder proceeds.
- Mentions red flags involving Iranian counterparties, vessel information, oil origins and unusual exchange-house activity.
- Highlights digital asset payments, stablecoins, unregistered P2P exchangers, foreign MSBs and nested digital asset service providers.
- Provides a strong message that financial institutions should detect suspicious activity and stop it.

FI interpretation: use the press release as a senior management awareness note and trigger for sanctions / TMS typology updates.

FinCEN Alert - IRGC Typologies and Salient Features

Core typologies

- Front companies and layered corporate structures.
- Exchange houses and shadow banking networks.
- Oil smuggling and misrepresentation of commercial activity.
- Digital assets, stablecoins and Iran-linked DASPs.

Control message

- Consider totality of circumstances; one red flag alone is not determinative.
- Use customer history, business rationale, counterparties and jurisdiction exposure to assess suspicion.
- Update SAR / STR narratives and typology references where applicable.

For UAE FIs, these typologies are practical inputs for sanctions screening, transaction monitoring, EDD, trade due diligence and alert investigation standards.

FinCEN Alert - Oil Smuggling and Maritime Red Flags

- Shipping or petroleum companies with Iranian counterparties or shadow-fleet vessel links.
- Bills of lading, invoices or shipping documents with missing consignee details, falsified information or omitted key data.
- Vessels with recent or multiple name changes, flag changes or ownership transfers after sanctions designations.
- Oil described as Malaysian blend, especially when routes, AIS irregularities or ship-to-ship transfers raise concern.
- Transactions linked to ports, vessels or geographies known for Iranian oil sanctions evasion.

Vertex implementation point

- Build maritime and trade red flags into sanctions procedures, TMS rules, trade-finance checklists and commercial remittance review templates.

FinCEN Alert - Shadow Banking and Front Company Red Flags

- Wire transfers or deposits with unclear or incomplete source of funds that do not match the customer line of business.
- Opaque general trading companies registered in free trade zones with counterparties in jurisdictions such as Singapore or Hong Kong.
- Recently incorporated companies with little web presence and large, round dollar payments without clear business purpose.
- Payments to UAE general trading companies or free-zone intermediaries with no adequate commercial explanation.
- Unusual use of multiple exchange houses or trading companies that adds unnecessary cost and complexity.

Exchange-house relevance: commercial remittance monitoring should include third-party payment routing, exchange-house layering and general trading company typologies.

FinCEN Alert - Digital Asset and Stablecoin Red Flags

Digital asset payment risks

- Petroleum, shipping, trading or trust companies using digital assets outside normal business practice.
- Stablecoin payments with unclear source of funds or mismatch with customer line of business.
- Unusual stablecoin minting or transaction activity inconsistent with business profile.

Iran-linked access risks

- Payments to or from Iran-located digital asset service providers.
- Iranian IP address, email, phone, device or language / time-zone indicators.
- Unregistered P2P exchangers, foreign MSBs or nested DASPs serving Iranian counterparties.

FI action: update sanctions and AML screening questionnaires to identify digital asset exposure even when the FI does not directly offer crypto services.

Required FI Changes - Notice 3075 and Sanctions Alerts

Document / Procedure	Change required
Sanctions Risk Appetite	Add Iran / IRGC, maritime, oil, petrochemical, shadow banking and digital asset risk tolerances.
Sanctions Policy	Reflect extra-territorial sanctions implications and escalation standards for restricted activity.
Screening Procedure	Update list sources, vessel screening, alias logic, alert quality review and maker-checker evidence.
TMS Procedure	Add typologies for exchange-house layering, front companies, high-risk jurisdictions and digital assets.
EDD Checklist	Add maritime documents, source of funds, counterparties, beneficial ownership, web presence and adverse media checks.

Recommended Projects - Sanctions and Monitoring Uplift

1. Sanctions RAS refresh

- Review exposure and risk appetite.
- Define prohibited and enhanced-review scenarios.
- Obtain Board / SM approval.

2. Screening model review

- Assess list coverage and matching logic.
- Review thresholds and alert quality.
- Test true-match and false-positive handling.

3. TMS rule optimisation

- Map IRGC / Iran red flags to scenarios.
- Configure customer and counterparty risk triggers.
- Perform ATL / BTL threshold testing.

4. EDD and training package

- Update EDD forms and maritime checklists.
- Train frontline, compliance and operations teams.
- Prepare management reporting pack.

C. Sector-Specific Implications

How the notices translate into action for Banks, Exchange Houses and Insurance Companies

Impact on Banks

- Review correspondent banking, trade finance, maritime payments, corporate accounts and non-resident account exposure.
- Update sanctions screening for Iran, IRGC, vessels, ports, shipping companies and front-company typologies.
- Enhance due diligence for general trading companies, free-zone entities, companies with little web presence and high-value round-dollar activity.
- Review accounts of Public Welfare Associations and NPOs for required licensing / certificate evidence.
- Refresh Board / senior management reporting on sanctions exposure, alert aging, true matches and high-risk country activity.

Vertex bank support: trade finance red-flag mapping, correspondent due diligence review, sanctions screening model validation and policy refresh.

Impact on Exchange Houses

- Update remittance and forex AML/CFT procedures to reflect updated CDD, EDD, wire transfer, STR/SAR and high-risk country expectations.
- Add red flags for third-party layering through exchange houses, front companies, general trading companies and opaque sources of funds.
- Review TMS rules for high-risk corridors, same sender / beneficiary patterns, commercial remittance anomalies and unusual exchange-house routing.
- Strengthen sanctions screening, internal watchlist, list management and alert closure quality assurance.
- Train branch teams on Iran / IRGC typologies, safe-passage fee risks, missing originator / beneficiary information and tipping-off controls.

Vertex exchange-house support: TMS rule optimisation, ATL / BTL testing, transaction voucher review, sanctions QA and AML policy uplift.

Impact on Insurance Companies

- Update onboarding, beneficiary, policyholder and beneficial owner screening procedures.
- Apply EDD for high-risk customers, PEPs, high-risk countries, complex ownership and unusual premium payment sources.
- Review life insurance beneficiary identification and verification controls at payout stage.
- Monitor red flags such as overpayment of premiums, return premium to different accounts and regular purchase / cancellation patterns.
- Assess sanctions exposure in marine, cargo, travel, commercial lines and claims involving high-risk jurisdictions or vessel activity.

Vertex insurance support: AML/CFT policy update, beneficiary screening review, claims / refund monitoring controls and staff awareness training.

D. Vertex Compliance Service Offering

Practical regulatory implementation support from gap assessment to independent validation

Vertex Capabilities Aligned to the Notices

Regulatory interpretation

- Notice-by-notice gap assessment.
- Regulatory obligation mapping.
- Board and senior management briefing.

Documentation uplift

- AML/CFT policy and procedures.
- Sanctions risk appetite and screening SOP.
- CDD, EDD, NPO and STR/SAR procedures.

Systems and controls

- TMS rule mapping and optimisation.
- Screening methodology and threshold testing.
- Alert QA, case management and evidence standards.

Positioning: Vertex can act as implementation partner, independent reviewer or validation advisor based on the FI need.

Vertex Implementation Methodology

1

Diagnose

- Review current framework and identify gaps against the notices.

2

Design

- Draft policy, procedure, control and system-change requirements.

3

Implement

- Support configuration, remediation, training and management approvals.

4

Validate

- Test design and operating effectiveness and issue closure report.

Outcome: a regulator-ready evidence pack showing what changed, why it changed, who approved it and how effectiveness was validated.

Deliverables Financial Institutions Can Receive

- Regulatory gap assessment matrix covering each notice, alert and applicable FI business line.
- Updated AML/CFT policy, sanctions policy, CDD, EDD, STR/SAR, NPO and screening procedures.
- Sanctions risk appetite statement and country / counterparty risk methodology updates.
- Transaction monitoring typology mapping, TMS rule enhancement and ATL / BTL testing report.
- Screening methodology review, threshold testing evidence, list management and alert QA framework.
- Training deck, attendance register, assessment questions and Board / senior management briefing pack.
- Independent validation report covering design adequacy and operating effectiveness.

Indicative Engagement Structure

Timing	Workstream	Output
Week 1	Document review and notice impact assessment	Gap register and priority actions
Weeks 2-3	Policy, procedure and control design updates	Updated documents and approval pack
Weeks 3-5	System control review, TMS / screening mapping and remediation support	Rule mapping, threshold review and implementation tracker
Week 6	Training, validation testing and management reporting	Validation report and closure evidence pack

The timeline can be accelerated or extended based on FI size, system complexity, number of branches, volume of customers and remediation depth.

Why Financial Institutions Should Act Now

Regulatory readiness

- Notices are current and require review / necessary action.
- Immediate-effect guidance creates documentation and control expectations.
- Regulators may expect evidence of timely assessment.

Risk reduction

- Iran / IRGC typologies involve UAE-relevant trade, exchange-house and general trading company exposure.
- Extra-territorial sanctions create correspondent and cross-border risk.
- Updated controls reduce alert backlogs, false positives and missed suspicious activity.

Vertex can support FIs with a focused readiness review and practical implementation plan before the next regulatory review or internal audit cycle.

Free Trial

Take Away

Join our WhatsApp Group

Vertex Compliance

Regulatory implementation support for AML/CFT, sanctions, transaction monitoring and compliance governance.

Proposed next step

- Conduct a short discovery meeting with the FI compliance team.
- Review current policies, sanctions RAS, screening and TMS setup.
- Issue a tailored implementation proposal and timeline.

Thank you

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