

Checklist to Identify

AML/CFT Programme Alignment with

FATF Grey List Updates



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Introduction: Why FATF Updates Demand Proactive Recalibration

Three times a year, the Financial Action Task Force (FATF) reconvenes. Its public statements on 'Jurisdictions under Increased Monitoring' are not mere updates; they are direct mandates for action for Regulated Entities worldwide.

In a global environment of heightened regulatory scrutiny, the expectation for Designated Non-Financial Businesses and Professions (DNFBPs) is no longer mere participation in AML/CFT regimes; it is proactive, demonstrable leadership in compliance. Supervisory bodies now demand a dynamic and immediate response to evolving international risk standards.

Compliance professionals and MLROs are on the front lines of this required recalibration. The gap between a FATF announcement and the tangible update of an organization's internal controls, EWRA, CRA models, and system rules represents a significant point of regulatory exposure. A reactive or delayed approach invites supervisory findings and potential penalties.

This checklist is developed for precisely this reason. It is not a theoretical treatise, but a practical tool forged from direct regulatory experience. It serves as a step-by-step guide designed to be actioned immediately following each FATF plenary.

This checklist's purpose is to move DNFBPs from passive awareness to decisive action, translating the 'what' of a FATF update into the 'how' of internal implementation.

Given the frequency of these updates, this document should be kept accessible and integrated into a firm's compliance rhythm. Utilising this guide helps ensure that an AML/CFT framework remains robust, governance is clearly evidenced, and the organisation is protected. In the current era of heightened expectations, proactive alignment is the most effective defence.

Applicability in the UAE

This checklist is essential for all DNFBPs regulated by UAE Supervisory Authorities:

- ▶ Law firms, notaries, and other independent legal professionals
- ▶ Accounting and auditing practices
- ▶ Real estate brokers, agents, and developers
- ▶ Dealers in precious metals and precious stones (DPMS)
- ▶ Trust and Company Service Providers (TCSPs)

Need for DNFBPs to Ensure Alignment with FATF Grey List Updates

FATF's public statements on 'Increased Monitoring' are not suggestions; they are a direct call to action. They create an immediate regulatory expectation for DNFBPs in all member jurisdictions to assess their exposure to newly monitored countries and ensure that internal controls proportionately reflect this elevated risk.

For DNFBPs, this translates into several non-negotiable, immediate actions:

- ▶ **Revisiting the Risk Appetite Statement** to formally determine and document the firm's tolerance for business relationships or transactions linked to these newly listed jurisdictions.
- ▶ **Mandating Automatic Enhanced Due Diligence (EDD)** by ensuring that EDD procedures are automatically triggered for any new or existing client and transaction connected to those jurisdictions.
- ▶ **Recalibrating Monitoring Logic** through a formal review of suspicious transaction monitoring rules to effectively identify typologies associated with these jurisdictions, such as non-profit organisation misuse, complex third-party payments, or opaque offshore layering techniques.

Ensure your AML Policies are robust and regulator ready.

We align your compliance documentation and risk methodology with new FATF expectations.

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How to Use This Checklist

Senior Management

Champion the review and approval of all compliance changes arising from FATF updates. Reinforce a culture of continuous improvement and resource allocation for AML/CFT functions.

AML Compliance Officer (MLRO)

Interpret FATF public statements and translate them into policy, risk, and training actions. Ensure timely notification to regulators and maintain version-controlled evidence.

AML Compliance Staff

Stay alert to client links with new high-risk jurisdictions. Escalate inconsistencies or red flags immediately and apply updated onboarding protocols.

Frontline Staff

Refresh lists, configurations, and risk parameters according to FATF updates and ensure results are validated through test alerts.

Checklist to Identify AML/CFT Program Alignment with Latest FATF Grey List Updates

Given that FATF updates its lists three times a year, this checklist should be kept readily accessible (e.g., in your compliance manual or digital dashboard) and actioned immediately following each plenary.



Pillar 1: Governance & Awareness

Awareness: Has the AML Compliance Officer or MLRO formally received, reviewed, and logged the latest FATF public statement on "Jurisdictions under Increased Monitoring"?

YES

NO

Communication: Has a formal internal communication been circulated to Senior Management, compliance staff, and relevant frontline teams detailing the newly listed (and de-listed) jurisdictions?

Accountability: Has Senior Management formally acknowledged the update and allocated resources (time, personnel, technology) for the required recalibration?

Governance Records: Are management committee or board minutes being updated to reflect the discussion of these new risks and the approval of the corresponding action plan?

Pillar 2: Risk Assessment (EWRA & CRA)

	YES	NO
EWRA Update: Has the Enterprise-Wide Risk Assessment (EWRA) been reviewed and updated to reflect the new jurisdictional risk exposure?	<input type="checkbox"/>	<input type="checkbox"/>
Risk Appetite: Does the firm's Risk Appetite Statement explicitly address its tolerance for business relationships or transactions involving the newly listed high-risk jurisdictions?	<input type="checkbox"/>	<input type="checkbox"/>
CRA Methodology: Has the Customer Risk Assessment (CRA) model been recalibrated?	<input type="checkbox"/>	<input type="checkbox"/>
Specifically: Have the risk-scoring parameters been adjusted to assign a higher weightage to clients linked to these new jurisdictions, as mandated?	<input type="checkbox"/>	<input type="checkbox"/>
Client Re-Screening: Has a complete re-screening of the entire existing client base been initiated to identify any clients, Ultimate Beneficial Owners (UBOs), or controlling persons connected to the newly listed countries?	<input type="checkbox"/>	<input type="checkbox"/>
Impact Analysis: Has a report been generated detailing the number of clients affected, their risk ratings (before and after), and their business lines?	<input type="checkbox"/>	<input type="checkbox"/>

Pillar 3: Policies, Procedures & Controls

	YES	NO
Policy Revision: Have the core AML/CFT policies and procedures been updated to explicitly reference the latest FATF Grey List?	<input type="checkbox"/>	<input type="checkbox"/>
EDD Triggers: Do your procedures automatically trigger Enhanced Due Diligence (EDD) for any new client linked to these jurisdictions?	<input type="checkbox"/>	<input type="checkbox"/>
EDD Measures: Are the specific EDD measures to be applied clearly defined? (e.g., obtaining Source of Wealth/Funds, senior management approval for onboarding, understanding the purpose of complex transactions).	<input type="checkbox"/>	<input type="checkbox"/>
De-Listing Protocol: Do you have a clear procedure for clients linked to jurisdictions removed from the Grey List (i.e., reassessing their risk profile to potentially apply standard due diligence)?	<input type="checkbox"/>	<input type="checkbox"/>
Pre-existing Clients: Does your policy mandate a clear action plan for existing clients now classified as high-risk? This must include: <ul style="list-style-type: none"> ▶ Conducting a full Re-KYC and applying full EDD measures within a specific, documented timeframe. ▶ Considering filing a Suspicious Activity/Transaction Report (SAR/STR) if the re-assessment uncovers previously unknown risks or suspicious activity/transaction. 	<input type="checkbox"/>	<input type="checkbox"/>

Face your next regulatory inspection with proven alignment.

Let our experts diagnose your framework against current FATF standards.

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Pillar 4: Systems & Monitoring

	YES	NO
Screening Tools: Have your automated screening systems (for sanctions, PEPs, and adverse media) been updated with the new jurisdictional risk parameters?	<input type="checkbox"/>	<input type="checkbox"/>
TM Scenarios: Have Transaction Monitoring (TM) rules and thresholds been reviewed?	<input type="checkbox"/>	<input type="checkbox"/>
Specifically: Are you monitoring for increased activity or specific typologies (e.g., third-party payments, complex corporate structures) involving the newly listed jurisdictions?	<input type="checkbox"/>	<input type="checkbox"/>
Risk Scoring Engines: If you use an automated CRA tool, has the new country risk logic been tested and validated by the compliance team?	<input type="checkbox"/>	<input type="checkbox"/>
List Management: Are your internal high-risk country lists, used by all systems, centrally managed and verifiably updated?	<input type="checkbox"/>	<input type="checkbox"/>

Pillar 5: Training & Validation

	YES	NO
<p>Staff Training: Has targeted awareness training been scheduled and delivered to frontline staff, compliance teams, and relationship managers focusing on:</p> <ul style="list-style-type: none"> ▶ The specific new countries on the list? ▶ The updated EDD and re-KYC procedures? ▶ Red flags associated with these jurisdictions? 	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<p>Independent Review: Has this entire recalibration process been scheduled for inclusion in the next independent AML audit or review?</p>	<input type="checkbox"/>	<input type="checkbox"/>
<p>Evidence Pack: Is the AML Compliance Officer/MLRO compiling a consolidated "evidence pack" (policy versions, system change logs, training records, management reports) to provide to regulators upon request?</p>	<input type="checkbox"/>	<input type="checkbox"/>

Move from simple awareness to verifiable competence.

Our experts train your staff on the exact red flags for newly listed jurisdictions.

[Book Your FATF Awareness Training](#)

How a RACI Matrix Enables Task Delegation Post FATF Grey List Updates

The period immediately following a FATF 'Increased Monitoring' announcement is critical. It demands a swift, coordinated response across multiple business functions. The compliance team must update policies, systems analysts must reconfigure screening tools, and frontline staff must be trained on new EDD triggers.

This complex, multi-department response is a common point of failure. Without a predefined structure, critical tasks can be duplicated or, worse, missed entirely, creating significant compliance gaps and regulatory risk.

A RACI Matrix is the essential governance tool that prevents this failure. It translates the 'what' (the tasks from the checklist) into the 'who' (the specific roles and departments). By clearly delineating who is **R**esponsible, **A**ccountable, **C**onsulted, and **I**nformed for each specific action, the matrix ensures seamless execution.

It clarifies accountability, eliminates ambiguity, and provides regulators with clear, tangible evidence of a mature and operationalised compliance framework. The following table provides a practical model for this delegation.

RACI Matrix for DNFBPs to Execute AML/CFT Compliance Program Recalibration to Ensure Alignment with FATF Grey List Updates

Roles:

- ▶ Frontline Team (FL)
- ▶ KYC Analyst (KYC)
- ▶ Screening Analyst (SA)
- ▶ Transaction Monitoring Analyst (TMA)
- ▶ AML Compliance Officer (MLRO/CO)
- ▶ Senior Management (SM)

Legend: R = Responsible | A = Accountable | C = Consulted | I = Informed

RACI Matrix: FATF Update Recalibration						
Activity	FL	KYC	SA	TMA	MLRO/CO	SM
Track FATF updates & communicate changes	I	C	C	C	R	A
Update EWRA & risk registers	I	C	I	I	R	A
Revise AML/CFT policies & CRA methodology	I	I	I	I	R	A
Re-configure system rules (Screening & TM)	I	I	R	R	A	I
Conduct impact analysis of existing clients	I	R	C	C	A	C
Perform Re-KYC & EDD on affected clients	C	R	I	I	A	I
Conduct targeted staff awareness sessions	C	C	I	I	R	A
Document policy approvals & final report	I	I	I	I	R	A
File progress/updates with regulator (if req.)	I	I	I	I	R	A

Move from a checklist to an operational compliance department.

We establish the in-house governance, roles, and processes that regulators expect.

[Schedule a Call for AML Department Setup](#)

Key Action Items for DNFBPs Arising from FATF Grey List Updates

- ▶ Update your EWRA and CRA frameworks immediately following any FATF announcement.
- ▶ Review all active client files linked to newly monitored jurisdictions.
- ▶ Apply immediate EDD measures and consider enhanced monitoring or suspension based on your risk assessment.
- ▶ Train staff to recognise FATF's updated typologies and reporting expectations.
- ▶ Document every change, approval, and regulatory submission meticulously for inspection.

Free up your team to focus on high-level compliance.

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Strategic Best Practices for DNFBPs to Ensure Continuous Alignment with FATF Grey List Updates

Maintain a "Living" EWRA: Your Enterprise-Wide Risk Assessment should not be a static annual document. Treat it as a live framework that is immediately updated when macro-factors like the FATF lists change.

Automate Jurisdictional Risk: Leverage RegTech solutions where possible to automate country risk scoring and trigger real-time alerts when a client's jurisdictional links change.

Thematic Reviews: Conduct quarterly thematic reviews focused on high-risk categories, including clients linked to "Increased Monitoring" jurisdictions, to test the effectiveness of your EDD and monitoring.

Document Everything: In a regulatory inspection, if it isn't documented, it didn't happen. Document every policy change, every system recalibration, every training session, and every senior management approval.

Ensure your regulatory reports are accurate, timely, and complete.

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About AML UAE

AML UAE is an Anti-Money Laundering (AML) consulting firm with decades of experience supporting businesses across the UAE.

We have expertise in providing various AML services to DNFBPs, such as Lawyers, Real Estate Agents, Accountants and Auditors, Dealers in Precious Metals and Stones, and Company Service Providers. We also provide AML consultancy services to Virtual Asset Service Providers.

We are equipped to help you register on the goAML portal. We conduct Enterprise-Wide Risk Assessments and align your AML/CFT policies and procedures in line with them. We design customised forms and templates for carrying out KYC, Customer Risk Assessment, and Enhanced Due Diligence for your customers. We help you prepare and submit reports like SAR, STR, CNMR, PNMR, HRC, HRCA, DPMSR, etc. We ensure that your employees are well-trained from an AML perspective.

Not just this, we assist regulated entities with decoding the Remedial Action Plan and effectively implementing the authority's recommendations around the AML program.

AML UAE is your go-to partner for handling all your compliance-related requirements.

Once we enter the picture, AML compliance is ensured. With that, you can continue to be a highly reputed business, actively striving to counter money laundering, terrorist financing, and proliferation financing.

Our Team



Pathik Shah

Founder

CAMS, FCA, CISA, CS, DISA (ICAI), FAFP (ICAI)

Pathik is a Chartered Accountant with proven experience in governance, risk, and compliance. He helps companies with end-to-end AML compliance services, from conducting Enterprise-Wide Risk Assessments to implementing robust AML compliance frameworks. He has played a pivotal role as a functional expert in developing and implementing RegTech solutions for streamlined compliance.



Jyoti Maheshwari

Partner

CAMS, ACA

Jyoti is a Chartered Accountant and Certified Anti-Money Laundering Specialist (CAMS), with extensive hands-on experience in regulatory compliance, legal advisory, policy-making, tax consultation, and technology project implementation. Jyoti holds experience with Anti-Money Laundering regulations prevalent across various countries. She helps companies with risk assessment, designing and deploying adequate mitigation measures, and implementing the best international practices to combat money laundering and other financial crimes.

Our Team



Dipali Vora

Partner

CAMS, ACS

Dipali is an Associate member of ICSI and a Certified Anti-Money Laundering Specialist (CAMS). She has a strong background in the compliance domain, including Anti-Money Laundering, due diligence, secretarial audit, and managing scrutiniser functions. She currently assists clients by advising and helping them navigate through all the legal and regulatory challenges of Anti-Money Laundering Law. She helps companies to develop, implement, and maintain effective AML/CFT and sanctions programs.



Purva Buch

Senior Consultant

CAMS, LLB

Purva is a Certified Anti-Money Laundering Specialist (CAMS) and a Lawyer. She has substantial knowledge of Anti-Money Laundering Laws, Rules, Regulations, and AML Compliance Processes. Purva has been instrumental in drafting RegTech processes, corporate policymaking, and fulfilling various legal research and drafting requirements arising from AML laws and regulatory technology.



Service Matrix

Service	Common Drivers							Value Proposition
	Ensure legal compliance	Save time and costs	Need expert support	Automate compliance processes	Implement best practices	Crisis management	Change AML/CFT consultant	
goAML Registration	✓		✓					Streamlines the process of registering with the UAE FIU goAML portal. Ensures compliance and reduces administrative burden.
Enterprise-Wide Risk Assessment	✓	✓	✓		✓		✓	Identifies risk factors, gross risk, controls deployed and their effectiveness, residual risk, and need for additional controls.
AML/CFT Policy Drafting	✓	✓	✓		✓		✓	Provides tailored AML/CFT policy frameworks that are up-to-date with current laws, enhancing regulatory compliance.
In-house Compliance Department Set-up	✓		✓		✓		✓	Establishes a robust internal compliance structure, helps recruit the right resources and ensures ongoing compliance efficiency.
KYC Managed Services	✓	✓	✓		✓	✓		Outsourced KYC processes that speed up customer onboarding and maintain high compliance standards.
Ongoing AML/CFT Consulting	✓	✓	✓	✓	✓	✓	✓	Continuous expert advice tailored to address specific challenges, enhancing overall compliance strategies.
AML/CFT Health Check	✓		✓		✓	✓	✓	Conducts comprehensive reviews and assessments to pinpoint vulnerabilities and recommend improvements.
AML Training	✓	✓	✓		✓		✓	Offers comprehensive training programs that enhance the compliance skills of employees at all levels.
AML Software Selection	✓	✓	✓	✓	✓			Helps choose the best AML software that fits the company's needs, improving efficiency and cost-effectiveness.
Screening Software Validation	✓		✓	✓	✓			Tests and validates screening tools to ensure they meet regulatory requirements and operational needs.
Regulatory Reporting	✓	✓	✓		✓		✓	Streamlines the process of creating and submitting SAR, STR, PNMR, CNMR, DPMSR, REAR, HRC, and HRCA reports accurately and on time.



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