

# ADGM's Financial Services Regulatory Authority imposes a financial penalty of USD 486,000 on Pyypl Ltd for inadequate Anti-Money Laundering controls

ADGM FSRA 3 days ago

The of Abu Dhabi Global Market (ADGM) has imposed a financial penalty of USD 486,000 (AED 1,784,835) on , a licensed money service provider operating in ADGM, because, during the period from March 2021 to November 2022, Pyypl's compliance with applicable Anti-Money Laundering (AML) requirements was inadequate and it acted outside the scope of its Financial Services Permission.

The FSRA found that Pyypl failed to establish and maintain adequate AML systems and controls to ensure full compliance with its AML obligations in that it failed to:

- ensure that its AML business risk-assessment was up to date and adequately identified the assessed money laundering risks to which its business was exposed;
- adequately carry out required AML risk-assessments and due diligence on its customers, in that it failed to assess expected payment volumes of its customers, assess and consider all of its products when undertaking customer AML risk-assessments, and obtain and verify its customers' residential address when undertaking Customer Due Diligence; and
- ensure that its AML policies, procedures, systems and controls were adequate and effective to comply with AML requirements, including the effective monitoring and detection of suspicious activity or transactions.

In addition, the FSRA found that, in the period between May 2021 and November 2022, Pyypl had made arrangements for its customers to buy contracts of insurance from a third-party provider through an application provided by Pyypl. In doing so, Pyypl was found to have conducted the Regulated Activity of Insurance Intermediation without the appropriate authorisation to perform this activity.

The FSRA's review did not identify any instances of actual money laundering resulting from Pyypl's AML systems and control failures. Pyypl and its senior management cooperated fully with the FSRA's enquiries and Pyypl has remediated each of the issues identified by the FSRA, subject to the FSRA's verification.

Pyypl agreed not to dispute the FSRA's findings and agreed to settle at the earliest opportunity, which meant that it qualified for a discount of 20% on the financial penalty. Otherwise, the FSRA would have imposed a financial penalty of USD 607,500 (AED 2,231,044).

Emmanuel Givanakis, Chief Executive Officer of the FSRA, said: "The FSRA continues to actively support the national AML/CFT agenda. The FSRA is committed to taking proactive steps to ensure that all regulated entities maintain high standards to combat financial crime and money laundering risks, as well as ensuring that regulated entities comply with the FSRA's Rules and Regulations. The FSRA will not hesitate to take robust action to ensure firms comply fully with anti-money laundering requirements in the ADGM, and to ensure that authorised firms do not conduct Regulated Activities outside the scope of their licence."

A copy of the FSRA's Final Notice can be found on the ADGM website: .