

KYC Requirements of UAE Exchange, Bank Alfalah, and LuLu Exchange

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Introduction

Blockchain has gained prominence in the remittance business in the United Arab Emirates. For example, it has been said that “United Arab Emirates-based UAE Exchange and U.S. startup Ripple” wanted to implement “cross-border remittances to Asia via blockchain” by 2019 (“UAE Exchange, Ripple to Begin Blockchain Payments by 2019”). These two companies partnered up “to process cross-border payments” by using “Ripple’s blockchain technology” (“UAE Exchange, Ripple to Begin Blockchain Payments by 2019”). Also, LuLu Exchange, a UAE provider for financial services, conducted business with a Pakistani bank called Bank Alfalah “to accelerate and scale Blockchain enabled cross border remittance payments from the UAE to Pakistan” (“UAE Lulu Exchange Enables Blockchain Remittance with Pakistan Alfalah Bank”). Alfalah used “the Blockchain enabled RippleNet platform” to conduct its business with LuLu Exchange (“UAE Lulu Exchange Enables Blockchain Remittance with Pakistan Alfalah Bank”). In this report, I will discuss and examine the KYC requirements of the following blockchain-utilizing remittance providers that have business with the United Arab Emirates: UAE Exchange, Bank Alfalah, and LuLu Exchange. First, I have described the advancement of blockchain being used in remittance in the UAE and the nature of each remittance provider’s business with relevant information about them. Next, I will describe their KYC requirements. This will also include the methods I used to obtain the requirements. Lastly, I will explain what I concluded about the remittance providers’ KYC requirements.

Results and Methodology

Financial providers are required to heed “know your customer” (KYC) rules in the UAE to stop money laundering (“Summary of ‘Know Your Client’ Requirements in United Arab Emirates”). First, I tried finding the KYC requirements of UAE Exchange. I found on their website that they require you to come to a branch of theirs with your “Emirates ID”, show the ID, and they would update your “KYC details” (“How to Complete KYC”). After that, I looked up what Bank Alfalah requires. What I found was a KYC form that applicants need to complete (“Know Your Customer (KYC) Form”). The form has fields for applicants to indicate their residence, education, occupation, where they get their money from, and other information such as financial information (“Know Your Customer (KYC) Form”). Finally, I learned about LuLu Exchange’s KYC requirements. I found their KYC policy outlined in their “Anti-Money Laundering and Counter Terrorist Financing” policy document (“Anti-Money Laundering and Counter Terrorist Financing”). It says that customers need appropriate identification, which can come in the form of a “Valid Emirates ID”, “Valid UAE National ID”, or “diplomatic ID” for UAE embassy members or people who have international business with the UAE (“Anti-Money Laundering and Counter Terrorist Financing”). However, this is for residents; for non-residents, you would need a “Valid Passport with valid entry visa”, “Valid GCC National ID (for GCC nationals)”, or “Seaman’s Pass/ID” (“Anti-Money Laundering and Counter Terrorist Financing”).

Conclusion

The general idea of the KYC requirements that UAE Exchange, Bank Alfalah, and LuLu Exchange possess is to make sure the customers are who they say they are and to avoid money laundering incidents. The similarity between the UAE Exchange and the LuLu Exchange is their

ability to accept Emirates ID for the KYC process supposedly because they are UAE-based. However, it might be good for Bank Alfalah to give benefits or make it easier for UAE residents in the KYC process considering its business with LuLu Exchange.

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