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The Compliance Bridge

A weekly briefing on the regulatory developments shaping compliance across Lebanon, the Gulf and beyond.

THIS WEEK'S DEVELOPMENTS

01 UAE Central Bank Fines Foreign Bank Branch Dh200m Over AML Failures

On 30 October 2026, the Central Bank of the UAE (CBUAE) imposed a financial penalty of AED200 million (around USD 54.5 million) on a branch of a foreign bank licensed in the UAE, after examinations found significant and repeated shortcomings in the branch's anti-money laundering, counter-terrorism financing, governance and sanctions compliance framework – CBUAE separately fined the branch's chief executive officer AED500,000 and its head of compliance and money laundering reporting officer AED300,000, and ordered a mandatory remediation programme subject to independent validation. The bank itself was not publicly named.

Implication: *Boards and MLROs across the Gulf should expect CBUAE to keep pairing institutional fines with direct, named penalties on senior compliance officers – individual accountability, not just institutional remediation, is now squarely part of the enforcement calculus.*

Source: Central Bank of the UAE, enforcement announcement, 30 October 2026

02 FATF Keeps Lebanon on Grey List After October Plenary

FATF held its October plenary in Paris from 28–30 October 2026, its first under the UK presidency, removing Bulgaria, Côte d'Ivoire, the Democratic Republic of the Congo and Monaco from its list of jurisdictions under increased monitoring. Lebanon was neither added nor removed and remains on the grey list, alongside fellow MENA jurisdictions Iraq, Kuwait, Syria and Yemen; Iran remains separately subject to FATF's call for countermeasures on the black list.

Implication: *Correspondent banks and counterparties should expect enhanced due diligence expectations on Lebanese relationships to persist unchanged for now, with FATF's next plenary the earliest point at which that status could move.*

Source: Financial Action Task Force, Outcomes of the FATF Plenary, 28–30 October 2026

03 BDL Suspends Medical Coverage at Two Lebanese Hospitals

On 3 November 2026, Lebanese broadcaster LBCI reported that Banque du Liban (BDL) instructed its own staff and the beneficiaries of its internal medical insurance scheme to stop authorizing treatment, direct payment and reimbursement at Al-Rassoul Al-Aazam Hospital and the Lebanese Medical Centre, with new applications rejected automatically until further notice – BDL sources described the measure as routine compliance with international sanctions lists, but the circulated document carries no date, reference number or signature, and does not address emergencies or hospitalizations already under way. Neither hospital appeared by name on OFAC's list as of 3 November 2026, though Al-Rassoul has a historical administrative link to Al-Shaheed, a charity the U.S. Treasury designated in 2007 for supporting Hezbollah.

Implication: *The episode is a visible instance of a public institution de-risking ahead of, rather than in response to, a documented designation; boards should expect this kind of precautionary curtailment of healthcare-linked relationships to continue, following Kuwait's February 2026 designation of eight separate Lebanese hospitals on similar grounds.*

Source: LBCI, reported 3 November 2026; Libnanews analysis, 3 November 2026

04 OFAC Sets 1 December Wind-Down Deadline for Iraqi Bank

On 15 October 2026, OFAC designated the International Development Bank for Investment and Finance (Iraq Development Bank), two Iranian banks and several Iran-based exchange houses and companies under Executive Order 13902 for supporting Iran's financial sector. On 29 October 2026, OFAC replaced its initial wind-down authorization with General License FF-1, permitting transactions ordinarily incident to winding down dealings with the Iraqi bank and any entity it majority-owns, through 12:01 a.m. EST on 1 December 2026.

Implication: *Banks and trade-finance desks in Iraq and the wider Gulf with ties to the designated bank have a hard deadline of 1 December 2026 to complete wind-down transactions before further dealings risk blocking or secondary sanctions exposure.*

Source: U.S. Department of the Treasury (OFAC), SDN designations of 15 October 2026 and Iran General License FF-1 of 29 October 2026

05 Warren Urges DOJ Criminal Probe Over BofA's $1.21bn AML Fine

On 29 October 2026, U.S. Senator Elizabeth Warren wrote to the Attorney General urging a full criminal investigation of Bank of America, after the bank agreed on 13 October 2026 to pay a combined USD 1.21 billion to FinCEN, the OCC and OFAC – the largest Bank Secrecy Act penalty on record – for wilfully violating anti-money laundering requirements, failing to report more than USD 5 billion in suspicious activity between 2018 and mid-2025, and breaching sanctions programmes covering Iran, Russia, narcotics trafficking and terrorism financing.

Implication: *The admitted failures – stale alert-scoring thresholds, shortcut correspondent due diligence, suppressed sanctions-screening alerts – are a useful benchmark for any institution reviewing its own monitoring calibration and SAR timeliness, regardless of jurisdiction.*

Source: U.S. Treasury (FinCEN Consent Order No. 2026-03; OCC Order AA-ENF-2026-41; OFAC settlement), 13 October 2026; Senator Elizabeth Warren letter to the Attorney General, 29 October 2026

LOOKING AHEAD Lebanon's draft Financial Stabilization and Depositor Recovery law remains under negotiation with the IMF, which continues to press for alignment with international creditor-hierarchy principles before the law advances.

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