

## Dubai uncovered – a safe haven for criminals?

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**The United Arab Emirates (UAE), a major player in regional and global markets, is famed for its exponential economic growth and strategic location. Sitting alongside seven other emirates, Dubai is the most prominent member,**



**managing to break free from the oil rich dependent roots, for which it is historically known, to now being a dynamic international business hub.**

Dubai charms global firms and the very wealthy alike, all enticed by the nation's luxurious lifestyle and diversified economy. Political stability and futuristic infrastructure compound its appeal, making it a much-favoured destination for elite business investors looking for lucrative opportunities.

### **The allure of the UAE for sanction evaders and criminals**

The UAE's appeal as a financial safe haven has made it particularly popular among African political officials and businessmen, as revealed in the relatively recent ICIJ report titled '*United Arab Emirates a go-to offshore haven for Africa's political and business elite, leaked records show*'. Dubai offers intriguing mechanisms like offshore accounts and lucrative property investments, all music to the ears of those individuals desperately seeking to evade international sanctions and prying eyes. Although the city has a reputation for intense surveillance using sophisticated CCTV systems, many drug traffickers and other criminal elements have settled in the country over the last decade.

In 2018, Nour El Fath Azali, son of Comoros President, Azali Assoumani, returned to Moroni and founded Olifants Ltd., a UAE-based shell company providing consultancy services. He was then appointed as his father's personal adviser encouraging Emirati to invest in Comoros, islands that are known for corruption by global observers.

Nour, a former bank auditor and US business school alumnus, is reported to have said that he sees the UAE as *“a crucial financial hub, reflecting a common trend among African political figures and their associates”*.

The Pandora Papers, another ICIJ investigation, revealed that business elites and politicians from 17 African nations had obscure financial interests in the UAE. This intel came from the leaked documents of 14 firms that specialise in forming shell companies and bank accounts. The list of specialist firms providing these services included SFM Corporate Services, formed in 2006 in Dubai. University of Oxford professor, Ricardo Soares de Oliveria, stated that *“the UAE tacitly allows dubious financial activities that are shunned by more reputable centres, requiring only that wealthy Africans avoid local politics and abide by local laws”*.

Another example is one Tindi Mwale, a Kenyan MP who, following being elected in 2018, requested that SFM in Dubai create a company and a bank account in Mauritius for US\$2,641. Prior to his political career, Mwale managed to build a diverse business empire. He told SFM that the new company would be handling infrastructure projects. Although Kenyan laws strictly requires that officials declare their assets, when recently asked, Mwale denied owning any offshore company and dismissed the claims as lies.

Isabel dos Santos, a dual citizen of Angola and Russia and the eldest daughter of a former Angolan president, resided in Dubai with her late husband. The 2020 Luanda Leaks investigation revealed their connections to ten UAE-based companies. ICIJ’s Pandora Papers went on to divulge that dos Santos had dealings with a UAE services company that managed funds from Unitel, Angola’s largest mobile operator. She denies all claims of wrongdoing. Dos Santos, who has previously been charged in Angola with money laundering, embezzlement and tax fraud, had her properties frozen in several countries, and is now barred from entering the US. She is reportedly still living in Dubai following her husband’s death in 2020. Her husband, Sindika Dokolo, died in a free-diving accident in Dubai at the age of 48. Reports state that foul play was not suspected.

The nation’s practices are creating problems for global financial regulation and raise concerns surrounding the monitoring and enforcement of internationally sanctioned entities and individuals.

Dubai's intricate network of financial and legal services permits discreet management of wealth and financial affairs, which can obfuscate international operations looking to monitor financial transactions.

### **Counter perspectives: challenging the notion of a "safe haven"**

The assertion that Dubai is primarily operating as a refuge for fugitives and sanction evaders looking to hoard ill-gotten gains is challenged by its track record in international enforcement collaboration. The research conducted in 'Dubai Unlocked' – an analysis report produced by the Organized Crime and Corruption Reporting Project (OCCRP) cites several occasions where Dubai has not only contributed to but has actively supported legal proceedings. These actions highlight Dubai's compliance with extradition agreements and a greater commitment to maintaining international legal standards. In co-operating, Dubai sends the message that it is clearly aligning with global law enforcement agencies, in contrast to previous accusations that it is just a haven for nefarious corporate activity.

The OCCRP suggest that the legal framework in the emirate has been designed to find an equilibrium between client confidentiality and the stipulations of international law. Moreover, the nation's efforts to collaborate and enforce international law have resulted in some high-profile cases, making some question how safe Dubai really is for the unruly. British citizen Sanjay Shah who was extradited to Denmark (detained in Dubai, 2022), and Christian Michel to India (detained in Dubai, 2021) are just two of many extraditions over the past several years.

Although these successful extraditions are encouraging, analysts note that Dubai does not always comply with international law orders.

### **Legal complexities – money talks**

Professor of Corruption and Illicit Finance at Georgetown University, Jodi Vittori, described Dubai's authoritarian justice system as opaque. She adds "*It is unclear why the UAE will work with some law enforcement in some cases to arrest criminals located in the UAE and in other cases, they do not. The UAE is a law enforcement black hole*".

In one example, Professor Vittori recalls the India-born Gupta brothers, both accused of stealing vast amounts of South Africa's public funds via close links to the country's former President, Jacob Zuma. Although an extradition treaty exists between these two countries, it was reported that last year the UAE decided to discreetly dismiss South Africa's order to extradite Atul and Rajesh Gupta. South Africa was outraged and stated that the UAE failed to issue any satisfactory responses to its rejection.

### **Conclusion: a complex interplay**

Despite concerted efforts to comply with global law enforcement and noteworthy successes in extradition cases, Dubai's multifaceted legal and financial framework does provide sanctuary for myriad criminal actors wanting to evade scrutiny. This emirate is somewhat of a paradoxical environment where intense surveillance and confidential financial services collides with opaque legal processes. This stark contrast reveals that while Dubai contributes to the global legal system, it also acts as a safeguard for those knowledgeable enough to navigate its intricate policies.

The battle remains in finding ways to balance economic attraction with international law enforcement, and this ultimately raises questions about the real benefit and effectiveness of global governance in this world of intricate international relationships.

"المال يمكن أن يبني قلاعاً في الهواء."

*"Money can build castles in the air."*

An Arabic proverb emphasising that with enough money, even the impossible seems possible.

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