
Overview

This standard is about knowing what your organisation's current and emerging business strategies are, evaluating any potential Money Laundering and Terrorist Financing risks, and ensuring compliance using a risk based approach. Emerging business strategies may include new product launches, new services introduced by your organisation, or extension into new markets. You must be able to identify the Money Laundering and Terrorist Financing risks of business strategies and advise the relevant people of those risks and any action that should be taken. It may be necessary to advise stakeholders of significant changes to business strategies.

Performance criteria

You must be able to:

1. liaise with managers of business units to keep updated on your organisation's development strategy to consider potential Money Laundering and Terrorist Financing risks in current and emerging business strategies
2. evaluate business strategies using a risk based approach
3. assess the Money Laundering and Terrorist Financing risks of business strategies to the organisation
4. advise relevant people of any identified risks and their implications for the business
5. advise relevant people of any necessary changes to plans and procedures to meet the Anti-money Laundering and Countering Terrorist Financing requirements
6. evaluate the implementation of new business strategies and associated controls
7. discuss and review your organisation's Anti-money Laundering and Countering Terrorist Financing obligations and possible reasons for failing to adhere to them with managers and staff in all relevant departments
8. incorporate the necessary controls to manage risks and review accordingly
9. advise stakeholders of significant changes to business strategies as necessary

Knowledge and understanding

You need to know and understand:

1. why there may be Money Laundering and Terrorist Financing risks in new and emerging business strategies – including new product launches and new markets
2. why consideration of Money Laundering and Terrorist Financing risks in business strategies should be an inherent part of decision making
3. how to evaluate business strategies using a risk based approach
4. who should be advised of the Anti-money Laundering and Countering Terrorist Financing implications of business strategies and any changes to plans and procedures
5. why it is important to keep senior management advised about the organisation's Anti-money Laundering and Countering Terrorist Financing policy
6. why it is important to support senior management in their responsibilities within the Anti-money Laundering and Countering Terrorist Financing policy
7. why it is important to analyse the effectiveness of new controls on new business strategies
8. when stakeholders need to be informed of changes to business strategies
9. your organisation's requirements relating to the application of codes, laws regulatory requirements and guidance, and potential conflicts with other regulatory regimes, as they impact on your activities

Glossary

Anti-money laundering and counter terrorist financing measures

This encompasses all required policies, procedures and systems as well as the requirement for regulated organisations to apply enhanced customer due diligence and enhanced ongoing monitoring on a risk-sensitive basis in certain defined situations and any other situations which present a higher risk of Money Laundering or Terrorist Financing.

Stakeholders

This refers to anyone that has an interest in, or may be affected by, the success of the financial institution; this could be individuals, groups and organisations. For financial organisations this includes the Board, committees, employees and in some instances, shareholders. For some this may also be its clients or investors.

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