
Overview

This standard is about designing and implementing procedural controls to proactively check for Money Laundering and Terrorist Financing risks at your organisation, which must be flexible and responsive to changes in Money Laundering and Terrorist Financing typologies. You should identify the resources needed to implement the procedural controls and determine the frequency with which Money Laundering and Terrorist Financing risks should be monitored, as well as assess the efficiency of the controls on a regular basis. You must report all areas which have been identified by the procedural controls as needing improvement to those responsible. The control need to be monitored and evaluated for effectiveness.

Performance criteria

You must be able to:

1. design robust procedural controls to proactively check for Money Laundering and Terrorist Financing risks at your organisation, which can detect or react to breaches in measures and which are flexible and responsive to changes in Money Laundering and Terrorist Financing typologies
2. implement procedural controls to proactively check for Money Laundering and Terrorist Financing risks at your organisation and can detect, or react to breaches in measures
3. identify the resources needed to implement the procedural controls, including assigning them to people with formal responsibility for Anti-money Laundering and Countering Terrorist Financing
4. determine the frequency with which Money Laundering and Terrorist Financing risks should be monitored
5. identify possible reasons when the procedural controls may fail to meet evaluation criteria
6. assess the efficiency of the procedural controls on a regular basis to identify potential shortcomings and improvements, using sufficient evidence which takes account of all relevant factors
7. report all areas which have been identified by the procedural controls as needing improvement to those responsible for implementing them, and confirm that they have been done
8. monitor the implementation and the effectiveness of improved controls

Knowledge and understanding

You need to know and understand:

1. the importance of designing and implementing Anti-money Laundering and Countering Terrorist Financing procedural controls, to prevent money laundering and terrorist financing and protect the interests and representation of the organisation and its different stakeholders
2. specific issues which the procedural controls should address, including risk assessment, standards of Customer Due Diligence and subsequent monitoring, reporting and liaison with external enforcement bodies requirements
3. how to determine the training strategy at various levels of staff within the organisation
4. the importance of planning for contingencies
5. internal issues which should inform the procedural controls, such as: methods of obtaining and storing customer identity data; arrangements for sanctions lists checks; procedures for monitoring client activity; risk categorisation of customers and products; transaction types and other data issues
6. colleagues and other key stakeholders that will be affected by the procedural controls
7. resources needed to implement procedural controls
8. the importance of monitoring the effectiveness of the procedural controls systems and the reporting methods to use
9. the importance of updating the procedural controls following changes to rules, measures, internal changes and new products
10. 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.

Relevant authorities

This should be extended to all jurisdictions which have control over the organisations, including regulatory, statutory, legal, investing, licensing, issuing and supervisory authorities.

Developed by	FLSP
Version Number	2
Date Approved	January 2016
Indicative Review Date	January 2021
Validity	Current
Status	Original
Originating Organisation	Financial Skills Partnership
Original URN	FSPAML8
Relevant Occupations	Finance; Financial Institution and Office Managers; Financial institution managers
Suite	Anti-money Laundering
Keywords	Anti-money Laundering; Countering Terrorist Financing; due diligence; procedural controls; risks
