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## Overview

This standard is about gathering, assessing and responding to information and intelligence relevant to financial crime. Information could come from external or internal sources to your organisation. You must respond appropriately to the information and pass on any supporting information to the appropriate party. You will need to fully document your assessment of the information and provide a rationale for any actions taken as a result. You should also consider documenting why action has not been taken.

This standard is relevant to roles in countering financial crime.

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## Performance criteria

*You must be able to:*

1. access relevant, and up-to-date information on financial crime from appropriate sources
2. assess the importance, relevance and accuracy of the information gathered or received, taking into account all relevant factors
3. examine the potential impact that the information may have on your organisation's activities and or its stakeholders
4. determine what type of action, if any, is required to deal with the potential impact of the information on countering financial crime and who is responsible for taking this action
5. document any actions or inactions appropriately
6. where appropriate, inform senior management or the relevant authorities of your findings and action
7. share any necessary supporting information with relevant parties, whilst maintaining confidentiality as appropriate

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## Knowledge and understanding

*You need to know and understand:*

1. your organisation's strategy and approach towards countering financial crime
2. relevant sources of information relating to financial crime, e.g. regulatory, statutory, industry and market bodies
3. how to evaluate the importance of the information gathered or received and the potential impact it might have on your organisation
4. the circumstances under which you should pass on information or report your findings to senior management or to a designated individual or relevant authority
5. the importance of maintaining confidentiality of information, for example, to avoid "tipping off"
6. the responsibilities of financial services organisations for communicating with regulatory and statutory bodies
7. the legislation, regulations and codes of practice, relevant to you and your organisation and any specific obligations

## Glossary

### **Financial Crime**

This includes any offence involving money laundering, terrorist financing, fraud or dishonest or market abuse. (Definition based on the FCA definition of financial crime). This includes financial crime both internal and external to a financial services organisation.

### **Legal and regulatory requirements**

This refers to a range of obligations incumbent upon financial organisations and is commonly referred to as 'compliance' requirements. The legal and regulatory requirements of an organisation or individual/s within it (such as 'approved persons') may differ slightly according to the type of financial organisation and the services it offers. The regulator of all providers of financial services in the UK oversees a number of regulated activities under powers derived from the Financial Services and Markets Act 2000.

A number of other pieces of UK legislation are relevant to the countering of financial crime, such as the Proceeds of Crime Act (POCA), the Serious Organised Crime and Police Act (SOCPA), the Fraud Act 2006, for example. UK financial institutions are also subject to European Commission legislation enacted by the British Government such as the Market Abuse Directive and the Basel 2 Accord (for capital adequacy).

Financial organisations, like any other employer, are also subject to a range of legal requirements covering areas such as discrimination, equality and diversity, Health and safety and Data protection.

### **Organisation**

This refers to an organisation that offers financial services – this could be insurance, investment, lending and credit, pensions, securities and derivatives. It includes organisations in both the public and private sector.

### **Stakeholder**

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.

### **Systems and controls**

The practices and procedures put in place to protect an organisation from financial crime. In some cases it is accepted that certain (or indeed all) types of financial crime cannot be wholly prevented, but controls can limit its extent and impact.

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