

AML/CFT & Client Responsibility

With research* estimating that 70% of all laundered criminal money passes through the financial sector it is vital for banks to manage this exposure prudently. The exposure manifests itself through the institution's interaction with its customers, so managing this relationship carefully is very important. Most banks have adopted a '3 lines of defence' model to manage the associated AML/CFT risks. Implementing this model and understanding the exact roles and responsibilities of each line can be a challenge. Using the highly regarded i-KYC training methodology can help organisations to effectively train staff about their correct understanding of their responsibility in mitigating AML/CFT risks. For further information about our learning solutions and other workshops please call our training managers at +31 20 305 1188 or send an email to info@i-kyc.com.

* UNODC: Illicit Financial Flows (2011)

Course Overview

The AML/CFT & Client Responsibility course has especially been designed by subject matter experts. In this highly interactive course, participants will learn about taking responsibility for their role in the '3 lines of defence' model.

Target Audience

The target audience includes Client Relationship Managers, Customer support staff, Compliance Officers, Senior management.

Objectives

After completing the training a participant will be able to:

- Take responsibility for their role in the "3 Lines of Defence";
- Know when to consult with, and what to expect from colleagues in AML/CFT Compliance;
- Confidently discuss the bank's AML/CFT policy and related documentary requirements with the bank's clients;
- Address clients' AML queries in accordance with the bank's policy;
- Assess the client information received for completeness and correctness;
- Formulate a motivated client AML risk profile proposal;
- Confidently follow up with the bank's clients in case of remedial or additional information requirements;
- Actively monitor clients' financial behaviour, recognise AML red flags;
- know when and how to escalate incidents in accordance with the bank's procedures.

Course Outline:

Part 1: Setting the Stage:

- Brief reminder of AML/CFT
 - Absolute and relative size of problem, Challenges for banks
- Implications for banks
 - Operational measures and '3 lines of defence' structure
 - Significance of the role of the business/client facing staff
 - Implications of client relationship responsibility
 - Client communication - "what's my story"?
 - Ongoing monitoring - why, how?
 - The bank's AML/CFT policy requirements - highlights only, e.g. who does what
- Q&A/discussion of current issues together with (Head of) Compliance

Part 2: Clarifying Business Responsibility: Information Gathering, Risk Assessment & Ongoing Client Monitoring

- Assessing completeness and quality of client information received
- Following up with customer regarding missing docs
- Assessing client risk profile + discussion of the bank's new client case study
- Implications of monitoring client behaviour through lifecycle
- Monitoring case study - preferably provided from the bank's database
 - Identifying red flags and proposing possible risk mitigation measures
 - Re-assessing risk profile
- Escalation to Compliance for advice, when, how and what to expect from Compliance (and what not!)
- Q&A/discussion of RM issues regarding their responsibilities

Part 3: Round up

- Summary, Q&A and conclusion
- Closing

Training Methodology

The combination of PowerPoint presentations and case studies will encourage participants to:

- Make accurate AML risk assessment decisions in accordance with existing procedures
- Understand when and how to escalate issues that they cannot resolve by themselves
- Be confidently responsive in addressing AML related client queries

i-KYC

i-KYC is a leading AML advisory and training firm whose partners and consultants are experienced all-round international bankers and business integrity experts. With its products and services i-KYC supports the full spectrum of the financial sector, from supervisory authorities to financial institutions and AML enforcement agencies such as Financial Intelligence Units.