

Correspondent Banking & AML

Correspondent Banking is loosely defined as providing current or other liability accounts and related services to another institution('s clients). As such it is an indispensable financial facilitator in an increasingly interdependent global economy where trillions of dollars are settled every day.

Correspondent Banking is vulnerable to money laundering due to the fact that no single party has complete overview of an entire transaction flow and, for example with trade, there are generally no direct relationship with all underlying parties. Also, banks may not be able to verify identity or understand nature of specific transactions and, crucially, the system is based on trust between institutions.

Regulators are keenly aware of this vulnerability and demand strong AML assurance from institutions. In reaction, the Wolfsberg Group, representing 11 large global banks has agreed AML principles and due diligence standards to manage this exposure. As AML requirements become ever stricter however, bigger banks become more selective in their relationships with other institutions. This represents a significant threat for in particular smaller banks with limited network capabilities.

This Correspondent Banking training will enhance participants' understanding of key AML issues and developments, focus on recognising risk factors and introducing mitigation measures. It will provide participants with tools to assess the robustness of their counterparties' AML controls and enhance their own institution's reputation for financial integrity.

Target Audience

This workshop is especially relevant for FI client facing staff, Mid Office (Customer Support) staff, relevant Treasury product specialists, Risk Management analysts and Compliance officers.

Objectives

At the end of the training, participants will have enhanced their awareness of Correspondent Banking related AML vulnerabilities and be able to:

- Confidently discuss the FATF & Wolfsberg Group AML standards & requirements;
- Identify potential red flag situations;
- Propose risk mitigating solutions;
- Apply the bank's policy for escalation of questionable situations.