



# AML/CFT ISSUES GUIDE FOR PROCEDURES MANUAL

Dear Industry Participants,

In an effort to assist practitioners in compiling their AML/CFT Procedures Manual the Commission has issued the following guidelines on the suggested content of these procedures manuals.

The AML/CFT Issues Guide for Procedures Manuals was effective 18 September 2009.

## **ISSUES TO BE ADDRESSED IN SERVICE PROVIDER'S AML/CFT PROCEDURES MANUAL**

### **1. Introduction of AML/CFT, KYC, CDD**

- (i) Define the terms above
- (ii) Detail the purpose of the manual
- (iii) Comment on Board of Director/Senior Management's commitment

### **2. AML – Procedures (Identifying risks)**

- (i) Risk assessment (high, medium, low) say what policies are in place, explain the risk assessment process
- (ii) Detail the responsibility of board (if any) for AML/CFT compliance
- (iii) Outsourcing – policy and criteria for selection process
- (iv) Responsibility of money laundering reporting officer
- (v) Responsibility of money laundering compliance officer

### **3. KYC/Customer Due Diligence**

- (i) When is CDD obtained
- (ii) Measures to be applied by service provider
- (iii) Identification/verification information of individual clients
- (iv) Identification/verification information on corporate entities
- (v) Identification/verification of directors and beneficial owners
- (vi) Identification/verification information, trusts and trustees
- (vii) Identification/verification information foundations

### **4. Enhanced CDD**

- (i) Non face to face business
- (ii) PEPs
- (iii) Identification and approval process

### **5. Reliance on third parties**

- (i) Intermediaries and introducers
- (ii) Documentation required
- (iii) Certification required
- (iv) Process of approval

### **6. Record keeping and training**

- (i) Transaction records - protection of data
- (ii) Records containing suspicious transactions, activities, etc.
- (iii) Records containing policies, procedures, systems and controls and training
- (iv) Reviews of record keeping procedures

### **7. Reporting of suspicious transactions and activities**

- (i) What is a suspicious transaction or activity
- (ii) Internal reporting procedures
- (iii) MLRO reporting procedures
- (iv) Evaluation of SARs by MLRO
- (v) Reports to Reporting Authority
- (vi) Documenting SARs

### **8. Board /Senior Management approval of procedures**