

ANTI-MONEY LAUNDERING

HOW TO STAY OUT OF JAIL AND BE A GOOD PERSON



INTRODUCTION

This is a video-based course consisting of five modules and a 20-question post-course assessment and certificate. Students successfully completing the course will also be eligible for CPD points. The course takes approximately 80 minutes to complete, including the assessment.

CONTENTS

The course contents and learning objectives are as follows:

Video 1 – ‘The Basics’ *At the end of this module, students will:*

- Be able to define Money Laundering and Terrorist Financing and explain the key differences between them.
- Know the types of crimes which can give rise to money laundering and why it is necessary for the proceeds to be laundered.
- Be able to state the stages of the money-laundering and terrorist financing processes.
- Be able to describe the kinds of activities which criminals and terrorists must undertake as part of those processes (viz: faking identities, disguising transactions and hiding beneficial ownership).
- Understand the impact of underlying crimes on and the lives of individuals and families.

There is an optional x5 question review assessment at the conclusion of the module.

Video 2 – ‘The Law’ *At the end of this module, students will:*

- Recognize the international nature of much organized crime, money laundering and terrorist financing and the special challenge which this poses.
- Be able to summarize core components of the international standards (FATF 40) viz:
 - International cooperation
 - Criminalization of money laundering and terrorist financing
 - Targeted financial sanctions and asset seizure
 - The risk-based approach
 - Suspicion reporting and Financial Intelligence Units (FIU's)
 - Comprehensive internal controls for financial firms.
- Understand the meaning of “US extra – territorial jurisdiction” and its impact on financial firms globally.
- Be able to list the main mandated internal controls for financial firms and understand their purpose, viz:
 - Customer screening

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- Customer identification and verification
 - Customer Due Diligence and 'Know Your Customer' measures
 - Accounts monitoring and transaction surveillance
 - Suspicion reporting
 - Training and record – keeping.
- Be able to state their own primary personal legal obligations, viz:
 - Reporting suspicious activity; and
 - Not “tipping – off” customers and clients.
 - Understand – and be able to make the moral case for - good AML compliance in financial firms.

There is an optional x5 question review assessment at the conclusion of the module.

Video 3 – ‘Onboarding’ *At the end of this module, students will:*

- Understand why Customer Due Diligence (CDD) and ‘Know Your Customer’ (KYC) are so important for a financial firm.
- Be able to describe the core stages of the onboarding process and the increasing role of technology.
- Be able to describe the “risk – based approach” to AML and CFT and list, with examples, the main factors determining risk, viz:
 - Geography
 - Customer type
 - Business/occupation
 - Products
 - Transactions
- Understand the concept of “Source of Wealth” and be able to explain its importance and how it differs from “Source of Funds”.
- Understand the concept of “Ultimate Beneficial Ownership”, its importance and the different methods used by money launderers to try to hide it.
- Know what a “Politically Exposed Person” (or PEP) is, why they are considered high risk and what steps are required to manage PEP risk. The same

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Video 4 – ‘Suspicion Recognition’ *At the end of this module, students will:*

- Understand what is meant by the term “suspicious activity”.
- Have reviewed a range of real cases of suspicious activity from the worlds of retail and corporate/wholesale financial services, involving examples of
 - Activity which differs from other customers of the same type
 - Sudden changes in account activity
 - Indicators of impersonation, counterfeiting and forgery of documents
 - Structuring of transactions to evade known controls
 - Personal behavioural indicators
 - ‘Churning’ of financial assets
 - Unexpected connections between customers
 - Anomalous activity which should be occasional but which becomes repetitive
 - Use of professional firms and complex structures to hide asset ownership.

There is an optional x5 question review assessment at the conclusion of the module.

Video 5 – ‘The Boss’ *At the end of this module, students will:*

- Have reinforced in their minds the essential requirement that financial firms be profitable.
- Have considered how their (and their firm’s) AML and CFT obligations sit alongside the ‘profit imperative’ and their own personal business targets.
- Have reviewed a real example of someone who fell foul of a corporate culture/environment in which employees believed that – when they conflicted – AML obligations could be/had to be (?) subordinated to the need to meet targets.
- Understand the essential personal requirement that they should not achieve their business targets by taking short – cuts with the firm’s AML standards.

There is an optional x5 question review assessment at the conclusion of the module.