

AML/CFT General Course Outline

New Skills You Will Learn:

- Understand how money launderers and the financiers of terrorism could be exploiting vulnerabilities in your organisation;
- Determine your organisation's AML/CFT obligation; and
- Help your organisation to manage and mitigate its money laundering and terrorist financing risk. AML/CFT exposures in line with risk based principles.

Overview of the legal framework

- The AML/CFT Act and outline of compliance requirements;
- Importance: why are we doing this;
- Introductory concepts and definitions;
- New Zealand and the international context;
- Institutional framework - Supervisors, Financial Intelligence Unit & others; and
- Reporting entities' main obligations under the Act.

Reporting entities' main obligations under the Act

- Appointment of a compliance officer;
- Management oversight;
- Written Risk Assessment;
- Key elements of an AML CFT programme;
- Procedures to detect, deter, manage and mitigate AML;
- Administering and maintaining your AML/CFT programme;
- Customer due diligence processes;
- Reporting and auditing of suspicious transactions; and
- Ongoing review and obligation.

AML/CFT Risk Assessment

- The purpose of an AML/CFT risk assessment;
- The rationale and method/s used to determine the level of risk of money laundering/terrorist financing associated with each of the mandatory requirements;
- Whether the level of risk has been correctly assessed;
- Whether it will help you determine the risks of your business facing money laundering or terrorist financing in the course of its normal operation; and
- Whether your risk assessment has set out how you will ensure it remains current.

AML/CFT Programme

Application of Mandatory Requirements

Policies, Procedures and Controls

- Vetting of staff involved in AML/CFT duties (compliance officer senior managers etc.);
- Staff training on AML/CFT;
- Customer due diligence (CDD)–including:
 - An explanation of the three types of CDD;
 - The use of supervisors’ ID verification code of practice;
 - When enhanced and simplified CDD could be conducted;
 - What is beneficial ownership;
 - Establishing beneficial ownership of a customer;
 - Who are Politically Exposed Persons;
 - What the AML/CFT Act requires a reporting entity to do in relation to politically exposed persons;
 - Obtaining the source of wealth;
 - When you will have to also verify the source of wealth of a customer;
 - How to verify the source of wealth of a customer; and
 - Establishing the nature and purpose of the relationship the customer wishes to engage in.
- Account monitoring to ensure transactions align with known client financial health;
- STR reporting/recording/storage;
- Keeping written findings when dealing with customers from high risk countries;
- Preventing money laundering and terrorist financing through use of new technology e.g. some non-face-to-face trading across borders;
- Using agents to conduct CDD on your behalf;
- Record keeping; and
- Monitoring and managing compliance with your AML/CFT programme – senior management oversight.

Feedback from AML/CFT Act supervisors

- Issues with AML/CFT risk assessments
- Issues with AML/CFT programmes.

Reporting requirements

Audit

- Independent Audit
- Choosing an Auditor
- Level of Audit.

Annual report

- Contents of an annual report.

Enforcement

- Options available for supervisors
- Penalties.