

# ICA International Advanced Certificate in Anti Money Laundering Syllabus

## Unit 1: What are the Money Laundering, Terrorist Financing and Sanctions Risks that must be Managed?

- What is money laundering?
  - What role can the financial sector play?
  - How is money laundered?
  - A modern assessment of money laundering
  - The money laundering offences
  - The links between money laundering and corruption
  - Money laundering and tax evasion
  - Why is money laundering prevention important?
- Terrorist financing
  - What is terrorist financing?
  - How is terrorism financed?
  - What is an alternative remittance system?
- Financial and economic sanctions
  - What are sanctions?
  - Why are sanctions important?
  - United Nations Sanctions Framework
  - Regional sanctions
  - US (OFAC) regime
  - Country restrictions
  - Local sanctions laws
  - The cost of getting it wrong
- Proliferation finance
  - Dual-use items
  - The risks arising from proliferation financing

## Unit 2: The International Bodies and Standard Setters

- The role of the international bodies
- Key international organisations
  - The International Monetary Fund
  - United Nations Global Programme against Money Laundering
  - The World Bank
  - The Financial Action Task Force
  - The Basel Committee on Banking Supervision
  - The European Commission and Council
  - The Egmont Group
  - The Wolfsberg Group
  - Transparency International

- The work of the international bodies and its relevance for AML practitioners
  - FATF mutual evaluations
  - Typologies and guidance
  - The focus of transparency

## Unit 3: National Legal and Regulatory Frameworks

- The impact of the FATF standards and recommendations on domestic frameworks
- US primary legislation and regulation
  - Bank Secrecy Act 1970
  - The PATRIOT Act
  - Other related AML/CTF legislation
  - Key US regulatory and law enforcement authorities
  - Lessons from enforcement actions
- United Kingdom
  - Primary legislation: The Proceeds of Crime Act 2002
  - Secondary legislation: The Money Laundering Regulations 2017
  - Industry and professional guidance
  - Financial Conduct Authority supervisory rules and enforcement
  - Key UK law enforcement authorities
  - The UK as a high-risk jurisdiction
- Examples of other jurisdictions
  - Jersey
  - Singapore
  - Hong Kong
  - India
  - United Arab Emirates

#### Unit 4: Taking an AML/CFT Risk-based Approach and Managing the Risks

- What is an AML/CFT risk-based approach?
  - FATF guidance on the risk-based approach
  - National risk assessments
- Determining the risks
  - Business risk assessments: organisations and operational risks
  - Assessing sector risk
  - Assessing product and service risk
  - Customer risk
  - Geographical risk
  - Delivery channel risk
- Management of AML/CTF risks
  - Implementing a risk-based approach
- Anti money laundering roles and responsibilities within a financial services business
  - The role of senior management
  - The role of the money laundering reporting officer
  - The MLCO/MLRO's role in money laundering risk assessment
  - Managing relationships with law enforcement agencies and regulators
- Escalation to senior management
- Exiting relationships

#### Unit 5: Initial and 'Ongoing' Customer Due Diligence (CDD)

- What is CDD?
  - The basic European and UK domestic standard
  - The basic international standard
  - Who is the customer and what is meant by the identification of beneficial owners?
- The risk-based approach to CDD
  - The requirements of the international standards
  - Practical application of the risk-based approach to CDD
  - Risk-based CDD requirements for existing customers
- Lower risk situations and simplified due diligence
  - Exceptions made to guard against financial exclusion
- Higher-risk situations and enhanced due diligence
  - When is enhanced due diligence required?
  - What is enhanced due diligence?
  - Mandatory high-risk customers: PEPs
  - Mandatory high-risk relationships: correspondent banking
  - Other examples of high-risk situations
  - Unacceptable relationships
- The practical application of CDD
  - Interpretation of the key CDD terminology
  - CDD for specific risk situations
- Identifying and verifying identity
  - Who must be identified and why?
  - Electronic verification of identity
  - Identifying and verifying the identity of corporate entities
  - Beneficial ownership and complex structures
  - Relying on third parties and accepting introduced business
- The extent of additional information to be collected
- 'Ongoing CDD' and monitoring relationships
  - Trigger event monitoring
  - The challenges to be overcome
- Testing the CDD process

## Unit 6: Monitoring Activity and Transactions

- The developing standards for monitoring transactions and activity
  - Customer profiling and using CDD information for monitoring purposes
  - Transaction records
  - Monitoring processes adding value to the AML/CTF regime
- Risk-based transaction monitoring and filtering framework
  - Transaction monitoring programmes
  - Automated transaction monitoring systems
  - Escalation processes
  - MI and exception reporting
- Wire transfer requirements of the International Standards
  - The EU Wire Transfer Regulation
- Sanctions lists and screening
  - Who should be screened?
  - Screening systems and controls

## Unit 7: Recognising and Reporting Suspicions

- The international requirements
- Currency transaction reporting
  - The US dual reporting requirements
- What is meant by suspicion and reasonable grounds to suspect?
  - The subjective test of suspicion
  - Reasonable grounds to suspect; the objective test of suspicion
- Setting reporting rules and parameters
  - The issues for consideration
  - Cross-border reporting obligations
  - What constitutes suspicious activity?
- The SAR/STR process and its documentation
  - Acknowledging an SAR/STR
  - Reasons for reporting
  - Making enquiries
  - The MLCO/MLRO evaluation process
  - Avoiding tipping off
- Balancing the needs of law enforcement with breach of customer confidentiality
  - The interface with data protection requirements

## Unit 8: The Vulnerabilities of Specific Services and Products

### Introduction

- Banking services
  - Retail banking services
  - Private banking
- Correspondent banking
- Lending and credit
  - Credit/charge cards and stored-value cards
  - Consumer finance
  - Mortgage lending
- International trade and trade finance
  - Letters of credit
- Foreign exchange and money transfer services
  - Foreign exchange bureaux
  - Money services businesses including alternative remittance systems
- Trust and corporate service providers
  - Corporate service providers
  - Trustee services
  - Tax evasion through offshore trusts and companies
- Insurance
  - Life insurance
  - General insurance
- The gaming sector
- Internet payment systems and virtual currencies
  - Risk factors within internet service providers
  - Digital virtual currencies