

# ICA International Diploma in Anti Money Laundering Syllabus

## Module 1: Anti Money Laundering (AML) and Countering the Financing of Terrorism CFT in Context

### Unit 1: Money Laundering and Terrorist Financing – Definitions and Nature

- The nature of money laundering and terrorist financing
- How is money laundered?
- Limitations of the three-staged interpretation of money laundering

### Unit 2: The International Context

- Why knowledge of international initiatives and developments is important
- The Financial Action Task Force (FATF)
- The European Commission and Council
- The International Monetary Fund (IMF)
- The United Nations system (UN)
- The Basel Committee on Banking Supervision
- The Organisation for Economic Co-operation and Development (OECD)
- The Egmont Group of Financial Intelligence Units – a semi-governmental organisation
- Non-governmental organisations (NGOs)
- The interface between money laundering and corruption

### Unit 3: The International Anti Money Laundering and Counter Terrorist Financing Framework

- Development of domestic anti money laundering and counter terrorist financing (AML/CFT) models
- The UK's AML/CFT legislation and strategy
- The UK Framework: primary legislation
- The UK Framework: secondary legislation and regulation
- The Jersey strategy on money laundering and terrorist financing
- The Guernsey strategy on money laundering and terrorist financing
- Alternative national AML/CFT models

### Unit 4: Laundering the Proceeds of Tax Evasion

- The nature of tax evasion
- Taxes payable and conflict of laws rules that determine where taxes are paid
- Typical onshore anti-tax avoidance provisions
- New disclosure requirements designed to identify tax evaders
- Criminal liability for laundering the proceeds of tax evasion

### Unit 5: Vulnerabilities of Products and Services

- Retail banking services
- Lending and credit facilities
- Cyber-laundering, electronic payment systems and emerging technologies
- International trade and trade finance
- Wealth management
- Investment management services and securities
- Stockbroking, investment management and fund products
- Retail investment funds
- Life insurance and pensions
- General Insurance
- Money services businesses
- Non-financial professionals (lawyers and accountants)
- Trusts and corporate services providers

## Module 2: Terrorist Financing, Proliferation Financing and Sanctions

### Unit 6: Terrorist Financing and Proliferation Financing

- The international strategy on terrorist financing
- The EU strategy on terrorist financing
- The USA Patriot Act and US extraterritoriality
- The UK's counter terrorist financing strategy
- Characteristics of terrorist financing
- Moving terrorist funds
- The financing of Weapons Proliferation

## **Unit 7: Complying with Sanctions Regimes and Freezing Requirements**

- What are sanctions?
- Why are sanctions relevant to the financial sector?
- Global sanctions framework
- European Union (EU) sanctions regime
- UK financial sanctions regime
- US financial sanctions regime
- Complying with financial sanctions regimes
- Designing a compliance framework
- Sanctions lists and screening
- Quality assurance and testing
- Internal communications and training

## **Module 3: Designing a Comprehensive AML/CTF Risk-based Approach for a Financial Services Business**

### **Unit 8: Concepts of Risk Management**

- Key concepts of risk assessment
- The identification of money laundering and terrorist financing risks
- Countering the risk of terrorism financing
- Identifying and assessing risk
- The creation of a control library
- Measuring the effectiveness of controls
- Additional review activities
- Deliverables from the risk-based approach

### **Unit 9: Implementing an AML/CTF Risk-based Approach for a Financial Services Business**

- The international standards and requirements
- Determining a risk-based strategy and approach
- Applying the risk-based strategy and approach
- Benefits of a risk-based strategy and approach
- Designing an AML and CFT strategy
- Identifying and managing specific money laundering risks
- Understanding the interrelated business risks
- Continuous review of the risk-based approach to AML/CFT

## **Module 4: Risk-based Customer Due Diligence (CDD), Customer Risk Profiling and Monitoring**

### **Unit 10: Customer Due Diligence (CDD)**

- Customer Due Diligence (CDD) – What is it?
- Taking a risk-based approach to CDD
- The value of CDD information
- Transparency and beneficial ownership requirements
- The requirement of enhanced due diligence requirements
- Managing high-risk situations: Politically Exposed Persons (PEPs)
- Managing high-risk situations – correspondent banking
- Simplified due diligence (SDD) in lower-risk situations
- Assessing money laundering risk in all other circumstances
- The CDD information to be collected and verified
- Relying on third parties and accepting introduced business
- Customer reviews and updating CDD
- Compliance monitoring of the CDD process
- Retaining customer records

### **Unit 11: Escalation and Exit Strategies**

- Exits and escalations: A introduction
- Escalation
- Exiting relationships

## **Module 5: Governance and Leadership**

### **Unit 12: The AML/CFT Governance Framework**

- Managing AML/CFT compliance risks
- Defining roles and responsibilities
- The Money Laundering Reporting Officer (MLRO)

### **Unit 13: Management Issues for an AML and CFT Policy**

- Formulating a risk-based strategy and policy
- The need for a group-wide programme
- The content of a policy
- Defining and determining the risk-based approach for CDD policies
- Senior management commitment in to the policy
- Implementing and communicating internal AML/ CFT compliance arrangements
- Other AML/CFT issues to consider

### **Unit 14: Culture and Training**

- Creating an effective AML/CFT culture
- Common cultural barriers
- Staff awareness and training
- Competency testing

## **Module 6: Suspicious Activity Reports and Dealing with the Authorities**

### **Unit 15: Transaction and Activity Monitoring**

- Requirements of the international standards
- Monitoring wire transfers
- Transaction records
- Strategic transaction monitoring and filtering programmes
- Identifying key risks
- Risk-based transaction monitoring
- Review, management information and key performance indicators

### **Unit 16: Recognition, Handling and Reporting of Transactions**

- The legal obligation to report
- The mandatory reporting requirement
- Currency transaction reporting
- Designing an effective internal reporting system
- The nominated officer's evaluation process
- Making an SAR to law enforcement

### **Unit 17: Post-reporting Considerations**

- Handling the risk of committing the tipping-off offence
- Constructive trusteeship
- Responding to discovery and enforcement orders
- Terminating relationships
- Managing media enquiries
- Subsequent customer review techniques

### **Unit 18: Dealing with the Authorities**

- Obtaining law enforcement consent
- Post-SAR procedures
- Responding to informal requests for additional information
- Monitoring/Production and other court orders
- Legal professional privilege (LPP)
- Fraud and International Cooperation Notices
- Restraint Orders
- Confiscation Orders
- Civil asset recovery
- Managing document retention