

# International Diploma in AML - Syllabus

## Module 1

### Unit 1 – Money Laundering and Terrorism Financing – Definitions and Nature

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

### Unit 2 – The international context

- Why knowledge of international initiatives and developments is important
- Financial Action Task Force (FATF)?
- The European Commission and Council
- International Monetary Fund (IMF)
- United Nations
- 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 organisation (NGOs)
- The interface between money laundering and corruption

### Unit 3 – The international Anti Money Laundering and Counter of Terrorism Framework

- Development of domestic anti money laundering and counter financing of terrorism (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 terrorism financing

- The Guernsey strategy on money laundering and terrorism 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
- New disclosure requirements designed to identify tax evaders
- Criminal liability for laundering the proceeds of tax evasion

### Unit 5 – Terrorism Financing and Proliferation Financing

- The international strategy on terrorism financing
- The USA Patriot Act and US extraordinary
- The EU Strategy on terrorism financing
- The UK's counter financing of terrorism financing strategy
- Characteristics and sources of terrorism financing
- Moving terrorist funds
- The Financing of Weapons Proliferation

### Unit 6 – 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
- The UK financial sanctions regime
- US financial sanctions regime
- Complying with financial sanctions regimes
- Designing a compliance framework

- Sanctions list and screening
- Quality assurance and testing
- Internal communications and training
- Sanctions Guidance

## Module 2

### Unit 7 – Concepts of Risk Management

- Key concepts of risk assessment
- The identification of money laundering and terrorism 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
  - Outcomes of the risk assessment

### Unit 8 – Implementing an AML/CFT 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
- The benefits of a risk-based approach
- Designing an AML and CFT strategy

### Unit 9 – The AML/CFT Governance Framework

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

### Unit 10 – Management issues for an AML/CFT policy

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

### Unit 11 – Culture and Training

- Creating an effective AML/CFT compliance culture
- Common cultural barriers
- Staff awareness and training
- Competency Testing
- Identifying and managing specific money laundering risks
- Understanding the interrelated business risk
- Continuous review of the risk-based approach to AML/CFT

## Module 3

### Unit 12 – Vulnerabilities of Products and Services

- Retail banking services
- Lending and credit facilities
- Cyber-laundering, electronic payments systems and emerging technologies
- International Trade and Trade Finance
- Wealth management
- Investment management services and securities
- Lending and credit facilities

### Unit 13 – Customer Due Diligence (CDD)

- Customer due diligence (CDD) – What is it
- Taking a risk-based approach
- The value of CDD information
- Transparency and beneficial ownership requirements
- The requirements for enhanced due diligence in high-risk situations
- 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
- Stockbroking, Investment management and fund products

- Retail Investment Funds
- Life insurance and pensions
- General Insurance
- Money service businesses (MSBs)
- Non-financial professionals (lawyers and accountants)
- Trusts and corporate service providers

#### **Unit 14 – Escalation and exit strategy**

- Escalations and exits: An introduction
- Escalation
- Exiting relationships

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

- Requirements of international standards
- Monitoring wire transfers
- Transaction records
- Strategic transaction monitoring
- 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
- Mandatory reporting requirements
- Currency transaction reporting
- Designing an effective internal reporting system
- The nominated officer's evaluation process
- Making a SAR to law enforcement
- EUROPOL Report 'From Suspicion to Action'

#### **Unit 17 – Post Reporting Considerations**

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