

Module 4

AML/ CFT Self-Assessment Program

(August 2007)

AML/CFT Self-Assessment Program

- ❖ Launched in April 2007
- ❖ Aims:
 - ❖ To help LCs understand the requirements of the revised Guidance Note
 - ❖ To help LCs assess their compliance with the revised Guidance Note and identify areas that require improvement at an early stage
 - ❖ To help SFC ascertain the general compliance status of the industry and assess the need for any enhanced guidance
- ❖ Based on the key requirements of the AML/CFT Guidance Note
- ❖ Self-assessment surveys can be downloaded from the SFC's website

AML/CFT Self-Assessment Program

The AML/CFT survey is structured under 6 sections, namely:

- AML/CFT policies and procedures
- Customer acceptance and customer due diligence (“CDD”)
- Record keeping and retention of records
- Recognition and reporting of suspicious transactions
- Staff screening, education and training
- Role of senior management in AML/CFT compliance governance issues

AML/CFT Self-assessment program

- AML/CFT policies and procedures:
 - ◆ Any AML/CFT policies and procedures?
 - ◆ What are the topics covered?
 - ◆ Updated regularly?
 - ◆ Endorsed by senior management?
 - ◆ Communicated to your staff? How?
 - ◆ Any regular independent review and testing to ensure compliance with the requirements?

AML/CFT Self-assessment program

- Customer acceptance and CDD:
 - ◆ Any customer acceptances policies and procedures with measures to identify high risk customers?
 - ◆ Any on-going due diligence?
 - ◆ What are the documents and information to be obtained to verify an individual customer or a corporate customer?
 - ◆ What CDD will be applied on omnibus accounts / Politically Exposed Persons / non-face-face business relationships or transactions?

- Record keeping and retention of records (refer to Module 3 for details of requirement)

AML/CFT Self-assessment program

- Recognition and reporting of suspicious transactions
 - ◆ Any systems and procedures to enable detection of patterns of unusual and suspicious activity?
 - ◆ Any policies/ procedures to mitigate the risks of cash transactions and third party payments?
 - ◆ Appoint an AML Compliance Officer?

- Staff education and training
 - ◆ Induction training to new staff?
 - ◆ Refresher training to existing staff?
 - ◆ What are the topics to be covered in the training program?
(refer to Module 3 for examples)

AML/CFT Self-assessment program

- Role of senior management
 - ◆ Establish a compliance culture?
 - ◆ Actively demonstrate their commitment to the firm's AML/CFT efforts, e.g. endorse the AML/CFT program and be kept informed of the implementation progress?