




**The international approach on application  
of the AML/CFT requirements –  
how compliance officer can do it?**

**March, 2016**

- 
- One size does not fit them all
  - Compliance service vs. compliance officer
    - When a service shall be established
    - Why resources invested in AML/CFT measures are not in vain
  - Compliance services/officers play essential role in organizing, understanding and application of the AML/CFT standards.
    - Play a key role in the establishment and implementation of effective systems, policies and procedures for preventing and counteracting ML/TF, as well as additional staff training;
  - Incorrect implementation of all these tasks may result in significant gaps in security of the products offered by the organization and vulnerability of the financial system.

# Main principles

- operational independence;
- sufficient level in the hierarchy of the organization;
- responsibility / accountability;
- interaction with the managers or management authorities;
- relevant experience and expertise (including knowledge of legislation and international AML/CFT standards)



# Main functions of the compliance services/officers

- Review/supervision of the programs and policies for preventing and combating laundering of ML/TF incl. but not only:
  - Preparation of internal programs and rules for prevention of ML/TF;
  - Methodological assistance in implementation of the CDD requirements;
  - Establishment of internal methodology on risk assessment and establishing the risk profile of the client;
  - Staff training, including in terms of how risk profile of the customer shall be established;
  - Preparation of internal analyzes and reports, including conclusions regarding detected unusual activity and suspicion;

# Main functions of the compliance services/officers

- Monitoring of transactions and identifying, check and report suspicious transactions and deals;
- Identifying and reporting other operations, including cash payments above the established thresholds, complex and unusual operations, etc.);
- Implementation of measures to the relevant categories customers (with a high degree of risk, for example);
- Preparation of procedures and policies for collecting and storing information;
- Approval of the measures on new policies, products and services as a result of the assessment of vulnerability in terms of ML/TF;
- Made proposals for approval of entering into commercial relationships with high-risk customers;

# Main functions of the compliance services/officers

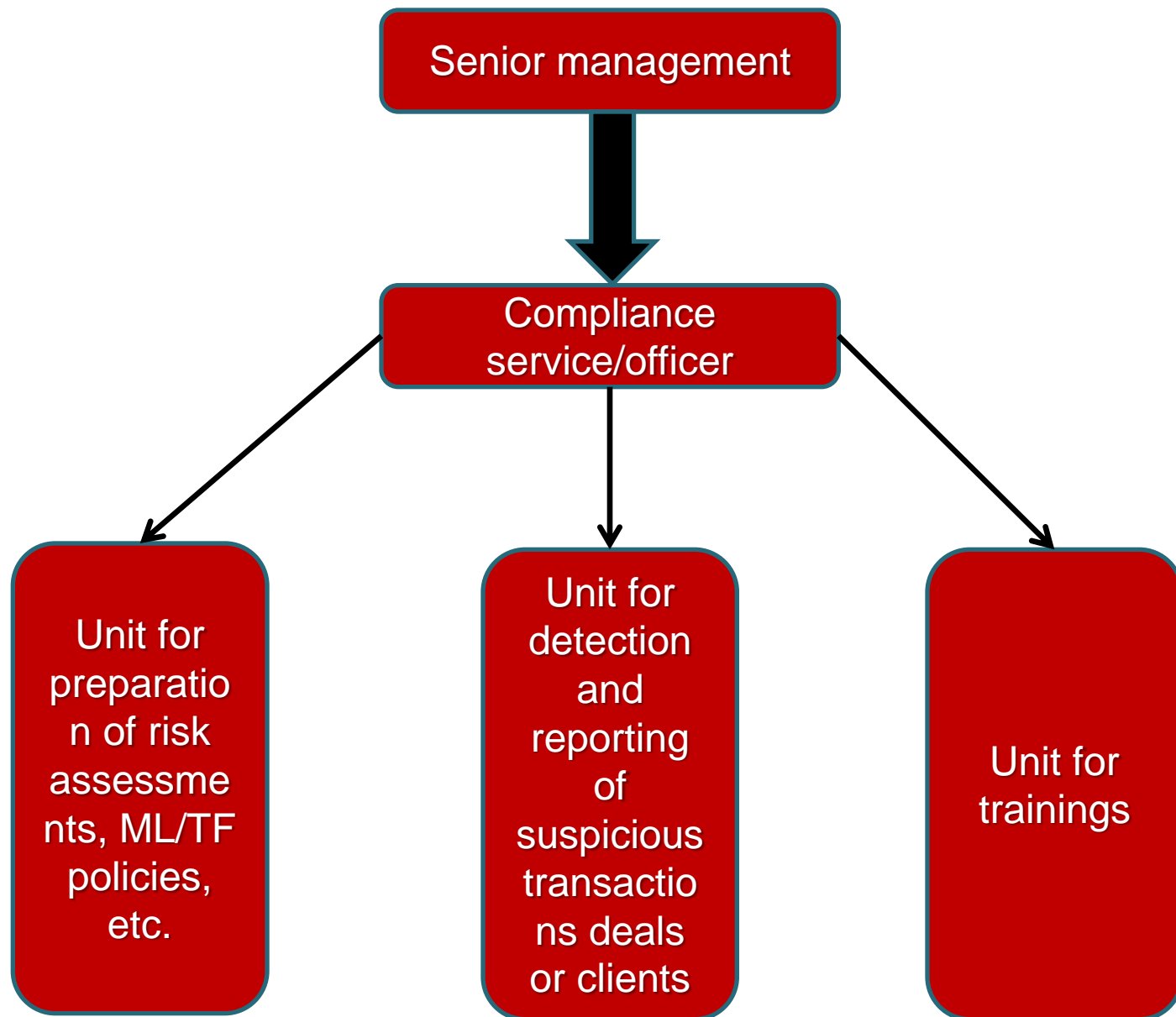
- Providing a contact point, both with the other employees in the specific organization and with other national and international organizations (including the FIU, LEAs, other supervisory authorities, etc.);
- Familiarization with the latest changes and requirements in the legislation and international principles in relation to prevention and combating ML/TF;
- Reporting to the senior management of the organization on objectives achieved, the existing problems and prepared methods for their neutralization;





- To achieve the above functions effectively and implement their respective obligations the compliance services should:
  - Have the necessary resources (human and material expertise);
  - Have access to all relevant data within the organization;
  - Have access to all employees at any level;
  - To be able to give instructions to the employees, if their actions do not meet the requirements (in terms of implementation of measures and policies for preventing and combating ML/TF);
  - Have access to the senior management;
  - Non tipping-off procedures should be in place. This is mainly associated with the cause of the financial losses or lost profits;







## Main issues

- Engagement with activities which are not related to AML/CFT;
- Inadequate resources;
- Insufficient knowledge among the employees;
- Inadequate communication with the supervisory authorities, LEAs, the FIU, etc.
- Insufficient guidance;
- Inadequate communication with the senior management;
- The compliance service/officer does not have adequate powers to perform its activities;



**Thank you for your attention!**