National Occupational Standards for Countering Financial Crime

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Introduction

What these standards are about

These NOS are relevant to roles involved with countering financial crime, and focus broadly on financial fraud and financial markets abuse, whether internal or external to an organisation. They are intended to complement other financial services NOS for related areas including anti-money laundering and compliance.

The NOS aim to cover a wide range of functions associated with countering financial crime, and to be relevant both to those working in high level strategic roles as well as to those employed in more operational functions. They may apply in either private or public sector organisations, and are intended to cover those functions up until the point at which a law enforcement investigation is instigated into a suspected financial crime.

This suite of standards for countering financial crime is suitable for individuals working in both large and small organisations. Each user should select the combination of units that are most appropriate to a particular job role, or to a use of the NOS, as required.

Other National Occupational Standards which may have relevance to NOS for countering financial crime:

- Some job roles may involve more generic functions such as general management or customer service. NOS already exist for these functions and so have not been included as part of this suite of NOS. They may however be useful, say, when identifying the competences expected for a specific role, or when constructing a CV. These generic standards can be found in the Directory of NOS units at www.ukstandards.co.uk.

- Similarly, there are very specific roles that relate to ongoing functions once a financial crime is suspected, such as instigating and carrying out investigations. The development of standards for these areas is the responsibility of other Skills Councils including Skills for Security and Skills for Justice. Details of their NOS may also be found in the NOS Directory referred to above.

Any standards may be used in combination with these for Countering Financial Crime. By following a ‘pick and mix’ approach it is possible to build up a set of NOS that is unique to a specific job role.

To ‘future proof’ these standards the knowledge and understanding section of each unit includes broad reference only to legislation and regulations applying to countering financial crime, rather than specific references which may be superseded or otherwise become outdated within the life of the NOS.

This suite of standards aims to contain terminology in current use or, at least recognisable to, those working in countering financial crime roles. A short glossary is included at the back of the NOS which explains terms emboldened throughout the unit text.
How NOS can be used

NOS can be used for a variety of purposes including, for example, performance management, for recruitment and selection, for assessing achievement in a job role, for supporting management information, for job design and evaluation, or for identifying training needs. They may also comprise the building blocks of qualifications.

These NOS are expressed in units containing outcomes of performance or competence required for a specific aspect of a job role or function. Each unit comprises the following:

- **Unit title** – this explains the key competence for the unit;
- **Unit overview** – this describes what the unit is about and the main areas it covers;
- **Outcomes of effective performance** – these list the critical functions that are required in order to meet the standard of competence outlined in the unit title and overview. They are not intended to imply an order of achievement, as this may differ between organisations and between job roles;
- **Knowledge requirements** – these underpin the performance statements, i.e., the knowledge and understanding required to be considered competent;
- **Behaviours** – these explain the personal attributes that are required to reach each standard of competence. The ‘behaviours’ have been chosen to complement, strengthen and contextualise the performance statements and knowledge requirements.

The list of standards on the page 5 has been grouped into broad functional areas for guidance only.
Key Functions of “Countering Financial Crime”

Set Strategy and Policy Measures and Arrangements to Counter Financial Crime

Monitor and Review Policies, Procedures and Training

Implement Policies, Procedures and Training

Manage Relationships in Countering Financial Crime

Plan and Organise Measures and Arrangements to Counter Financial Crime
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CFC 1: Develop and gain support for your organisation’s culture and ethos for countering financial crime

Overview
This standard is relevant to roles in countering financial crime.

You must be able to agree with the board or equivalent body, values that encourage behaviour consistent with your organisation’s overall vision and strategy for countering financial crime. You must ensure that policies, procedures, systems and controls are fit for purpose, and that they support and communicate the values that have been set.

Outcomes of effective performance
You must be able to do the following:

FC1/01 Establish and gain board level support for values that encourage behaviour consistent with your organisation’s overall vision and strategy for countering financial crime
FC1/02 Obtain commitment from the Board for a budget and resources to enable the implementation of systems that support your organisation’s agreed values
FC1/03 Communicate agreed values to people across your organisation and motivate them to put these into practice
FC1/04 Put in place policies, procedures and systems to support your organisation’s values
FC1/05 Assess understanding of your organisation’s values and the policies, procedures and underpinning systems
FC1/06 Ensure that communications are consistent with agreed values
FC1/07 Monitor the implementation of policies, procedures and systems and ensure that they continue to meet your organisation’s culture and ethos
FC1/08 Ensure that your personal behaviour, actions and words consistently reinforce your organisation’s values

Behaviours underpinning effective performance

Communicating
• You select communication styles that are appropriate to your audience and your message
• You identify the information needs of colleagues, clients and others
• You select appropriate communication methods and media for use with internal and external audiences

Influencing
• You deploy a range of appropriate influencing skills and strategies
• You seek to build consensus around the objectives you are pursuing
• You understand the needs and motivations of others

Problem solving and decision-making
• You show integrity, fairness and consistency in your decision-making

Working with others
• You value diversity and respect the views of others

Professionalism
• You carry out tasks with due regard to your organisation’s policies and procedures
• You gather and manage information effectively, efficiently, ethically and lawfully
Knowledge and understanding

To achieve this unit, you will require the following knowledge and understanding:

1. Your organisation’s vision and strategy towards countering financial crime
2. The importance of values in underpinning individual and organisational performance
3. Values and behaviours that are consistent with your organisation’s vision and strategy
4. How your organisation defines financial crime and the channels for communicating this throughout your organisation
5. The needs and interests of key stakeholders
6. Different approaches for countering financial crime relevant to the nature of your business and how to assess their strengths and weaknesses
7. Internal and external factors that influence the countering financial crime culture
8. The relationship and links between countering financial crime culture, strategy and business performance
9. The principles and methods of managing cultural change within your organisation
10. Effective methods of communicating values, and supporting the way they are applied across your organisation
11. Methods of monitoring policies, procedures and systems to ensure that they reflect your organisation's culture and ethos
12. Your organisation’s requirements relating to the application of codes, laws and regulatory requirement
CFC 2: Develop and implement financial crime policies and procedures

Overview
This standard is relevant to roles in countering financial crime.

You must be able to identify which areas of countering financial crime practice would benefit from standardisation in their approach and develop acceptable, relevant and effective policies, procedures and processes to address these. You must be aware of the implications of introducing policies and procedures and the resources required to monitor and enforce their use.

Outcomes of effective performance
You must be able to do the following:

- FC2/01 Identify business activities that require a standardised approach
- FC2/02 Define business conduct and practice that is acceptable to your organisation
- FC2/03 Identify good practice to inform the development of policies and procedures
- FC2/04 Consider the implications that developing policies and procedures will have on each area of the business, engaging stakeholders in this process
- FC2/05 With appropriate support, develop policies and procedures that reflect current industry good practice and legal and regulatory requirements
- FC2/06 Ensure that the aim of policies and procedures is to protect your organisation’s objectives and that they promote acceptable business conduct
- FC2/07 Check that policies and procedures reflect ethical, moral and lawful behaviour and practice, and that they are compliant with regulations
- FC2/08 Ensure that the development of policies and procedures takes into account the resources that are required and available
- FC2/09 Assign responsibilities and implement policies and procedures
Behaviours underpinning effective performance

Communicating
- You present information clearly, concisely, accurately, and in a manner that promotes understanding
- You explain complex matters in clear language

Problem solving and decision-making
- You propose courses of action that are timely, appropriate and achievable
- You have an awareness of the consequences, implications and risks of courses of action you propose
- You have a clear understanding of the regulatory and commercial environments within which decisions have to be taken
- You do not shirk from proposing or implementing a course of action you believe to be correct, because it may be difficult or unpopular

Influencing
- You identify and explain the benefits to others of the actions you propose to take

Professionalism
- You gather and manage information effectively, efficiently, ethically and lawfully

Knowledge and understanding
To achieve this unit, you will require the following knowledge and understanding:

1. Your organisation’s values and objectives, culture and ethos in respect of countering financial crime
2. The products and services your organisation offers and how the business operates
3. How your organisation defines financial crime
4. Established and emerging typologies in financial crime
5. How to recognise and explain conduct and practices that are acceptable to your organisation
6. Good business practice in relation to policies and procedures
7. How to identify the support needed in order to develop effective policies and procedures
8. How to ensure that policies and procedures reflect ethical, moral and lawful behaviour and practice, and are compliant with regulations
9. The resources required to apply, monitor and review policies and procedures
10. Your organisation’s requirements relating to the application of codes, laws and regulatory requirements
CFC 3: Develop and implement a financial crime risk and control assessment process

Overview
This standard is relevant to roles in countering financial crime.

You must develop and implement a process to assess the risks from financial crime to your organisation and the controls that can be applied to manage these. You must take into consideration the risk of financial crime taking place and the impact that financial crime would have on your organisation, together with the likelihood of it occurring.

Outcomes of effective performance
You must be able to do the following:

FC3/01 Ensure that you have all the relevant, up-to-date information and authority from senior management to make an accurate assessment of financial crime risks and appropriate controls

FC3/02 Monitor appropriate internal and external sources for information that might impact on your organisation’s activities, and disseminate intelligence as appropriate

FC3/03 Review any requirements for reward and recognition schemes for risks identified by others

FC3/04 Identify and define the financial crime threats and opportunities associated with your organisation

FC3/05 Determine and prioritise the areas of your organisation at risk from financial crime

FC3/06 Assess the consequences to your organisation of a financial crime taking place

FC3/07 Establish senior management’s approach to managing the risk of financial crime

FC3/08 Identify the systems and controls required to manage the risks associated with financial crime and achieve the level of protection your organisation seeks

Behaviours underpinning effective performance

Communicating
• You understand and respect the limitations that client and commercial confidentiality may place on your communications
• You present information clearly, concisely, accurately, and in a manner that promotes understanding

Problem solving and decision-making
• You are able to make a critical evaluation of arguments, assumptions, concepts and data, and to challenge constructively the status quo
• You have an awareness of the consequences, implications and risks of courses of action you propose
• You have a clear understanding of the regulatory and commercial environments within which decisions have to be taken
• You have a clear understanding of the extent and limits of your authority to take decisions

Professionalism
• You gather and manage information effectively, efficiently, ethically and lawfully

Working with others
• You set clear tasks and objectives, and hold individuals to account for their performance
• You encourage others to share information and knowledge, within the limits of client and commercial confidentiality
• You honour commitments you have made

Knowledge and understanding
To achieve this unit, you will require the following knowledge and understanding:

1. How your organisation defines financial crime and how this is communicated
2. The information on your organisation’s policies and procedures required to enable you to make an accurate assessment of financial crime risks
3. The client base of your organisation, its characteristics and sources of business
4. The products and services your organisation offers to its clients
5. How to identify and document the risks of financial crime to your organisation
6. How to identify and assess key risk indicators and how they will alert you to financial crime
7. The systems and controls available to manage financial crime risks
8. The analysis of the past performance of your organisation and any lessons learnt
9. The inter-relationships between different departments within your organisation, their roles and functions
10. Your organisation’s requirements relating to the application of codes, laws and regulatory requirements
CFC 4: Assess the impact of legal and regulatory requirements relating to financial crime on your organisation

Overview
This standard is relevant to roles in countering financial crime.

You must identify the jurisdictions, regulations and legislation regarding financial crime and its prevention relevant to your organisation. You must assess how these affect your organisation and determine the requirements to ensure compliance. You must identify the consequences of non-compliance and how this impacts on your organisation.

Outcomes of effective performance
You must be able to do the following:

FC4/01 Identify the jurisdictions which have regulatory control over the business
FC4/02 Research the regulations and legislation (including international and European) pertaining to each relevant jurisdiction
FC4/03 Assess how legal and regulatory requirements affect the conduct of the business of your organisation
FC4/04 Identify the internal requirements needed to fulfil the legal and regulatory requirements
FC4/05 Identify the consequences of non-compliance with legal and regulatory requirements and report as appropriate
FC4/06 Monitor legal and regulatory changes and assess their impact on your organisation
FC4/07 Report to the appropriate people your assessment of the implications of legislation and regulation on your organisation

Behaviours underpinning effective performance

Communicating
- You present information clearly, concisely, accurately, and in a manner that promotes understanding
- You explain complex matters in clear language

Influencing
- You identify and explain the benefits to others of the actions you propose to take

Problem solving and decision-making
- You have a clear understanding of the regulatory and commercial environments within which decisions have to be taken
- You are able to make a critical evaluation of arguments, assumptions, concepts and data, and to challenge constructively the status quo
- You have an awareness of the consequences, implications and risks of courses of action you propose

Professionalism
- You gather and manage information effectively, efficiently, ethically and lawfully
- You carry out tasks with due regard to your organisation’s policies and procedures
**Knowledge and understanding**

To achieve this unit, you will require the following knowledge and understanding:

1. How your **organisation** defines **financial crime**
2. The scope and nature of the business conducted by your **organisation**
3. Jurisdictions relevant to your **organisation**
4. The **legal and regulatory requirements** applicable to your **organisation**
5. How to keep up-to-date on information relating to legislation and regulations relevant to your **organisation**
6. The consequences of non-compliance with **legal and regulatory requirements** relevant to **financial crime**
7. The resourcing implications of ensuring compliance with **legal and regulatory requirements**
8. How legislation and regulations affect different parts of the business and the way business is conducted
9. To whom to report the implications of change to **legal and regulatory requirements**
10. Your **organisation’s** requirements relating to the application of codes, laws and regulatory requirements
CFC 5: Agree communication protocols relating to countering financial crime

Overview
This standard is relevant to roles in countering financial crime.

You must agree arrangements for communication with regular contacts, both within your organisation and externally, that encourage and maintain productive working relationships in matters relating to countering financial crime. This standard is about making sure that methods of communication are suited to the needs of different contacts. You must also ensure that, where appropriate, there are protocols in place to communicate with clients promptly as required, for example, in the event of a failure of internal controls.

Outcomes of effective performance
You must be able to do the following:

FC5/01 Identify and record the organisations and the internal and external individuals with whom your organisation regularly communicates regarding countering financial crime, and keep these records up-to-date

FC5/02 Ensure procedures are in place for confirming the identities of contacts and their authority for requesting or receiving information

FC5/03 Identify contingency contacts for absence and unforeseen circumstances to keep communication lines open

FC5/04 Establish communication arrangements, how to these are to be met and any issues or conflicts they create

FC5/05 Ensure that your contacts understand your organisation’s communication needs, restrictions and priorities

FC5/06 Ensure that there is a documented system for cascading and reporting information within your organisation and that this is communicated as appropriate

FC5/07 Confirm that there are protocols in place for handling information of a sensitive and confidential nature

FC5/08 Where relevant, determine methods for resolving communication issues and conflicts

FC5/09 Agree preferred methods of communication with contacts

FC5/10 Ensure that communication protocols maintain productive and efficient working relationships

FC5/11 Ensure that, where appropriate, timescales for communication are clearly communicated and understood by relevant people within your organisation
Behaviours underpinning effective performance

**Communication**
- You identify the information needs of your audience
- You understand and respect the limitations that client and commercial confidentiality may place on your communications
- You select communication styles that are appropriate to your audience and your message
- You present information clearly, concisely, accurately, and in a manner that promotes understanding

**Professionalism**
- You gather and manage information effectively, efficiently, ethically and lawfully
- You carry out tasks with due regard to your organisation’s policies and procedures

Knowledge and understanding

To achieve this unit, you will require the following knowledge and understanding:

1. The organisations and individuals with which regular contact is required
2. The importance of maintaining open communication channels and the consequences of failing to respond to enquiries or requests
3. How to establish which methods of communication are suitable for different contacts
4. The information that different organisations and individuals require of your organisation or department
5. The types of issues and conflicts that may arise when communicating with other organisations and individuals
6. Your organisation’s communication needs, priorities and restrictions on its ability to provide timely and accurate information
7. The importance of ensuring there is clear agreement on how and when communication is conducted and that this is understood by relevant people in your organisation
8. The importance of having protocols in place for the handling of sensitive and confidential information
9. How to identify the most appropriate contacts for your needs
10. How to maintain productive and efficient working relationships
11. Your organisation’s requirements relating to the application of codes, laws and regulatory requirements
CFC 6: Develop and implement risk-based controls to counter financial crime

Overview
This standard is relevant to roles in countering financial crime.

You must develop effective and efficient risk-based controls to counter financial crime within your organisation and externally. You must take into consideration the resources required to implement appropriate controls. When developing controls you will also need to establish a system for monitoring and evaluating their effectiveness.

Outcomes of effective performance
You must be able to do the following:

FC6/01 Establish key performance indicators relating to financial crime prevention with senior management and appropriate stakeholders
FC6/02 Ensure you have an accurate and up-to-date financial crime risk assessment
FC6/03 Identify the levels of tolerance for financial crime acceptable to your organisation and where controls are required
FC6/04 Assess the different controls available to your organisation and the resources required to implement them
FC6/05 Estimate the timescales involved in developing and implementing controls to counter financial crime and whether temporary controls are necessary
FC6/06 Implement the controls and ensure they remain appropriate and effective
FC6/07 Review good practice when developing a response plan for handling the effects of a control failure
FC6/08 Develop independent mechanisms for monitoring and reporting upon the effectiveness of controls in place and their relevance to your organisation’s financial crime risks

Behaviours underpinning effective performance

Communicating
- You encourage others to share information and knowledge, within the limits of client and commercial confidentiality
- You understand and respect the limitations that client and commercial confidentiality may place on your communications
- You present information clearly, concisely, accurately, and in a manner that promotes understanding

Problem solving and decision-making
- You propose courses of action that are timely, appropriate and achievable
- You have an awareness of the consequences, implications and risks of courses of action you propose
- You have a clear understanding of the regulatory and commercial environments within which decisions have to be taken

Professionalism
- You gather and manage information effectively, efficiently, ethically and lawfully
Knowledge and understanding

To achieve this unit, you will require the following knowledge and understanding:

1. How your organisation defines financial crime
2. The purpose of the financial crime risk assessment and its importance in identifying relevant financial crime risks
3. Your organisation's products and services
4. The client base of your organisation and its characteristics
5. The key risks to your organisation from financial crime
6. How to identify where controls are required and why
7. The types of controls that can be used to mitigate against financial crime risks, their advantages and disadvantages
8. The controls that are suitable for your organisation
9. The resources required to implement controls and future controls
10. The nature of your organisation's controls to mitigate those risks
11. How to implement controls and methods for monitoring and reporting on their effectiveness
12. Your organisation's requirements relating to the application of codes, laws and regulatory requirements
CFC 7: Gather, analyse and respond to financial crime information

Overview
This standard is relevant to roles in countering financial crime.

You must gather and evaluate information relevant to financial crime. This could come from sources external to your organisation, such as regulatory bodies, or internal to your organisation, such as other business units. You must respond appropriately to the information, reporting your actions where this is required, and passing on any supporting information to the appropriate party.

Outcomes of effective performance
You must be able to do the following:

FC7/01 Access relevant, and up-to-date information on financial crime from the appropriate sources such as regulatory, statutory, industry and market bodies

FC7/02 Evaluate the importance, relevance and accuracy of the information gathered or received, taking into account all relevant factors

FC7/03 Determine the potential impact that the information may have on your organisation’s activities and its clients

FC7/04 Determine what type of action, if any, is required to deal with the potential impact of the information on financial crime and who is responsible for taking this action

FC7/05 Where appropriate, inform senior management or the appropriate authority of your findings and actions

FC7/06 Share any necessary supporting information whilst maintaining confidentiality, as appropriate

Behaviours underpinning effective performance
Communicating
- You present information clearly, concisely, accurately, and in a manner that promotes understanding and maintains confidentiality
- You understand and respect the limitations that client and commercial confidentiality may place on your communications

Influencing
- You seek to build consensus around the objectives you are pursuing

Problem solving and decision-making
- You propose courses of action that are timely, appropriate and achievable

Working with others
- You set clear tasks and objectives, and hold individuals to account for their actions
- You encourage others to share information and knowledge, within the limits of client and commercial confidentiality

Professionalism
- You carry out tasks with due regard to your organisation’s policies and procedures
- You gather and manage information effectively, efficiently, ethically and lawfully
Knowledge and understanding
To achieve this unit, you will require the following knowledge and understanding:

1. How your organisation defines financial crime
2. Relevant sources of information relating to financial crime, e.g., regulatory, statutory, industry and market bodies
3. How to evaluate the importance of the information gathered or received and the potential impact it might have on your organisation
4. The circumstances under which you should pass on information or report your findings to senior management or to a designated individual
5. The importance of maintaining confidentiality of information, for example, to avoid ‘tipping off’
6. To whom to report any findings from analysis of information received
7. The responsibilities of regulatory and statutory bodies for communicating with financial services organisations
8. Your organisation’s requirements relating to the application of codes, laws and regulatory requirements
CFC 8: Identify potential financial crime within or external to your organisation

Overview
This standard is relevant to roles in countering financial crime.

You must monitor transactions and other business activities to identify potential financial crime, which could be either internal or external to your organisation. You must have all of the relevant information at your disposal to allow you to make accurate and informed judgements about the financial activity you are monitoring, and to identify potential financial crime.

Outcomes of effective performance
You must be able to do the following:

- FC8/01 Keep up-to-date with financial crime risk indicators, typologies, surveillance and detection methods
- FC8/02 Develop and maintain an awareness of usual business activity and client behaviour, as appropriate
- FC8/03 Monitor client, employee, and third party supplier behaviour and business activity on a regular basis to identify unusual occurrences
- FC8/04 Observe relevant boundaries of confidentiality and data security when monitoring business activities and transactions
- FC8/05 Ensure you have access to all available information that will enable you to detect potential financial crime
- FC8/06 Assess transactions and business activity against client and other business information available to you
- FC8/07 Accurately identify the type and nature of suspicious activity, or potential financial crime, whether internal or external
- FC8/08 Report your findings as appropriate, following internal procedures

Behaviours underpinning effective performance

Problem solving and decision-making
- You are able to make a critical evaluation of arguments, assumptions, concepts and data, and to challenge constructively the status quo
- You propose courses of action that are timely, appropriate and achievable
- You have a clear understanding of the regulatory and commercial environments within which decisions have to be taken
- You have a clear understanding of the extent and limits of your authority to take decisions
- You show integrity, fairness and consistency in your decision-making

Influencing
- You understand the needs and motivations of others

Professionalism
- In managing your work, you identify appropriate priorities and set yourself challenging but achievable objectives
- You gather and manage information effectively, efficiently, ethically and lawfully
- You carry out tasks with due regard to your organisation’s policies and procedures
Working with others

- You encourage others to share information and knowledge, within the limits of client and commercial confidentiality

Knowledge and understanding

To achieve this unit, you will require the following knowledge and understanding:

1. What constitutes financial crime in your organisation
2. What might be regarded as suspicious activity
3. The procedures for detecting potential financial crime, such as monitoring systems
4. Usual client behaviour and how to identify deviations from this
5. The boundaries/remit of your authority in monitoring business activity
6. The information that you are permitted to obtain and use to detect potential financial crime
7. How your work may impact on financial crime investigations in your organisation
8. The records that need to be maintained, how this should be done and the relevant procedures to follow
9. The procedures for reporting crime, both internal (e.g., whistle-blowing) and external
10. Your organisation’s disciplinary process and procedures
11. How to maintain accurate records and the relevant procedures for doing so
12. Your organisation’s requirements relating to the application of codes, laws and regulatory requirements
CFC 9: Follow your organisation’s plan/policy in response to suspected financial crime

Overview
This standard is relevant to roles in countering financial crime.

You must respond to suspected financial crime by following the response plan or policy developed by your organisation. You will need to gather all the necessary and available information relevant to the suspected crime and take the appropriate action to prevent furtherance of the crime and any internal disciplinary actions, as appropriate. You will need to ensure that all the necessary and relevant information is passed on to the appropriate people. This could be senior management, or external sources such as law enforcement or the regulator.

Outcomes of effective performance
You must be able to do the following:

FC9/01 Establish the remit of your authority in responding to financial crime and to whom you should report your actions
FC9/02 Ensure appropriate steps are taken to prevent the furtherance of the suspected financial crime
FC9/03 Ensure that systems are in place, and followed, for gathering information regarding the crime
FC9/04 Where necessary and in consultation with relevant people, take the appropriate disciplinary action in response to the financial crime
FC9/05 Ensure that all relevant information is made available for any subsequent investigation or enquiry and that the information is complete and up-to-date
FC9/06 Report immediately to appropriate people where information is missing or incomplete, or where a breach in protocol is discovered

Behaviours underpinning effective performance
Communicating
• You make appropriate information and knowledge available to those who need it and who are entitled to have it
• You understand and respect the limitations that client and commercial confidentiality may place on your communications
• You present information clearly, concisely, accurately, and in a manner that promotes understanding
• You have a clear understanding of the regulatory and commercial environments within which decisions have to be taken
• You have a clear understanding of the extent and limits of your authority to take decisions
• You show integrity, fairness and consistency in your decision-making

Professionalism
• You gather and manage information effectively, efficiently, ethically and lawfully
• You carry out tasks with due regard to your organisation’s policies and procedures
Knowledge and understanding

To achieve this unit, you will require the following knowledge and understanding:

1. What constitutes financial crime in your organisation
2. Your organisation's financial crime response plan and its content, including reporting lines
3. The system of monitoring and review of the response plan
4. The importance of maintaining confidentiality to prevent any subsequent investigation being compromised (e.g. from ‘tipping-off’)
5. How to prevent the furtherance of financial crime and the procedures to follow
6. The information required of any subsequent investigation or enquiry
7. The rights and responsibilities of the alleged perpetrator of the financial crime
8. Your organisation's disciplinary procedures and how they apply to the situation
9. The organisational, regulatory and legal requirements for reporting your findings to others, including empowered authority
10. Your organisation's requirements relating to the application of codes, laws and regulatory requirements
CFC 10: Report a financial crime

Overview
This standard is relevant to roles in countering financial crime.

You need to keep yourself up-to-date with relevant information affecting reporting issues, such as those which need to be made to the regulator and other authorities. You will need to report suspicious and non-compliant activity. This could involve escalating reports internally, or reporting externally to law enforcement agencies, or to the regulator. When making reports you will need to provide all of the appropriate information, including supporting information relevant to your findings, whilst maintaining confidentiality, as required.

Outcomes of effective performance
You must be able to do the following:

FC10/01 Deal with reports of suspicious activities and/or breaches of your organisation's policy and procedures
FC10/02 Confirm suspicious activity, financial crime and/or breaches of your organisation's policy and procedures
FC10/03 Determine the information which needs to be included in your report, observing confidentiality obligations
FC10/04 Record the reasons for the suspicions clearly and accurately
FC10/05 Establish the urgency and priority of the report
FC10/06 Report your findings according to your organisation's financial crime procedures
FC10/07 Ensure that all necessary supporting information included with your report is complete and accurate
FC10/08 Ensure that your actions do not compromise any ongoing or planned investigations

Behaviours underpinning effective performance
Communicating
- You present information clearly, concisely, accurately, and in a manner that promotes understanding
- You make appropriate information and knowledge available to those who need it and who are entitled to have it

Problem solving and decision-making
- You have a clear understanding of the extent and limits of your authority to take decisions
- You are able to make a critical evaluation of arguments, assumptions, concepts and data, and to challenge constructively the status quo
- You show integrity, fairness and consistency in your decision-making

Professionalism
- You carry out tasks with due regard to your organisation’s policies and procedures
- You gather and manage information effectively, efficiently, ethically and lawfully
**Knowledge and understanding**

To achieve this unit, you will require the following knowledge and understanding:

1. What constitutes **financial crime** in your **organisation**
2. The reporting protocols and requirements, and the information necessary to provide in the report
3. The appropriate use in the context of reporting a financial crime of Suspicious Activity Reports (SARs) and Suspicious Transaction Reports (STRs)
4. The difference between suspicious activity, internal breaches, and actual crime, in order to determine to whom reports should be made
5. The laws relating to **financial crime** and the differences between laws and regulations for anti-money laundering, fraud and market abuse
6. The differences between money laundering, fraud and market abuse
7. Levels of authorisation that different roles and responsibilities have for accessing relevant information
8. What constitutes suspicious activity and crime, and how your **organisation** defines this
9. How to assess the urgency of the required report
10. The importance of checking if the suspicion is reasonable and worthy of further action
11. The records that need to be securely retained, and for how long
12. Your **organisation’s** requirements relating to the application of codes, laws and regulatory requirements
CFC 11: Develop intelligence and share information with others on financial crime prevention

Overview
This standard is relevant to roles in countering financial crime.

You must monitor the countering financial crime environment and identify information and events that impact on your organisation and its relationship with other organisations. You will take part in discussions on countering financial crime both within your organisation and with others through, for example, meetings and consultations. You will contribute to the fight against financial crime by sharing information with others and encouraging them to do the same.

Outcomes of effective performance
You must be able to do the following:

FC11/01 Monitor developments in countering financial crime to identify issues of relevance to both your organisation and its relationships with external bodies and agencies

FC11/02 Be proactive in identifying opportunities to provide input and feedback on countering financial crime practice

FC11/03 Specify clear and accurate communication requirements and guidelines, including the need for confidentiality, which are consistent with your organisation’s objectives, policies and resource constraints

FC11/04 Establish clear procedures for decision-making, representing your organisation and contributing to meetings or consultations

FC11/05 Manage your commitments to meetings, consultations and other means of information sharing

FC11/06 Where necessary, secure the authority of senior management to share information with other parties

FC11/07 Encourage others to share information on good practice approaches to countering financial crime

Behaviours underpinning effective performance

Communicating
- You select communication styles that are appropriate to your audience and your message

Influencing
- You deploy a range of appropriate influencing skills and strategies

Professionalism
- In managing your work, you identify appropriate priorities and set yourself challenging but achievable objectives
- You gather and manage information effectively, efficiently, ethically and lawfully
- You carry out tasks with due regard to your organisation’s policies and procedures
Knowledge and understanding

To achieve this unit, you will require the following knowledge and understanding:

1. How your organisation defines financial crime
2. Issues of relevance to your organisation and how to monitor the countering financial crime environment
3. Methods of information sharing
4. The benefits of sharing information on countering financial crime practice
5. Your authority for decision-making and representing your organisation
6. The information that you are permitted to share by your organisation
7. Your organisation's mission and values, policies and objectives
8. The importance of establishing and maintaining good relationships with other bodies and organisations
9. Who to approach within your organisation for support and guidance
10. The principles of confidentiality, and how to develop guidelines for exchanging information between individuals and organisations
11. Your organisation's requirements relating to the application of codes, laws and regulatory requirements
CFC 12: Promote the importance of financial crime prevention

Overview
This standard is relevant to roles in countering financial crime.

You must communicate the benefits and the importance of financial crime prevention to others, including staff, clients and third party suppliers, through training and through other means of awareness-raising. You must liaise with other departments to understand their countering financial crime information and training needs, and the information needs of clients and third party suppliers. You will also need to communicate to others the part they play in the fight against financial crime.

Outcomes of effective performance
You must be able to do the following:

FC12/01 Plan how your organisation will deliver messages and raise awareness about the benefits of financial crime prevention, gaining commitment from senior management

FC12/02 Liaise with other departments or parts of your organisation, including third party suppliers as appropriate, when promoting the benefits of countering financial crime

FC12/03 Communicate how your organisation is combating financial crime and the benefits of prevention, ensuring that these messages are consistent with your organisation's vision and culture

FC12/04 Communicate to staff, clients and third party suppliers their roles and responsibilities in countering financial crime, and how it can be combated

FC12/05 Respond promptly to queries regarding financial crime and information security, dealing only with requests for which you are authorised and passing others to the appropriate party

FC12/06 Comply with legal requirements, industry regulations and your organisation's policies and professional codes when communicating messages on behalf of your organisation

Behaviours underpinning effective performance

Communicating
- You present information clearly, concisely, accurately, and in a manner that promotes understanding
- You explain complex matters in clear language

Influencing
- You understand the needs and motivations of others

Professionalism
- You gather and manage information effectively, efficiently, ethically and lawfully
- You carry out tasks with due regard to your organisation's policies and procedures

Working with others
- You work in a professional, co-operative and mutually supportive manner
- You honour commitments you have made
**Knowledge and understanding**

To achieve this unit, you will require the following knowledge and understanding:

1. How your **organisation** defines **financial crime**
2. The benefits of countering **financial crime**
3. The part that others, including within your **organisation**, third party suppliers and clients, play in countering **financial crime**
4. The methods, including training, of communicating messages about the benefits of **financial crime** prevention
5. The procedures for requesting advice and guidance, and how to disseminate this information
6. Your authority for dealing with enquiries about countering **financial crime**
7. Where appropriate, the other departments, business units and staff that can help to communicate messages about countering **financial crime**
8. The areas of **financial crime** about which others commonly require advice and guidance
9. Your **organisation’s** requirements relating to the application of codes, laws and regulatory requirements
CFC 13: Address enquiries relating to financial crime from those with empowered authority

Overview
This standard is relevant to roles in countering financial crime.

From time to time, legally empowered bodies entitled to request information will contact your organisation with enquiries about financial crime-related matters. You must respond to these enquiries using proper procedures, assessing the implications of your response and the consequences of failing to respond. It is important to validate the identity of the enquirer to ensure that they are genuine, as well as to protect confidential client and organisation information.

Outcomes of effective performance
You must be able to do the following:

FC13/01 Ensure procedures are in place for responses to financial crime enquiries to be dealt with by the relevant person
FC13/02 Check regularly for any enquiries to which a response is required
FC13/03 Check and validate the identity of the contact making the enquiry
FC13/04 Ensure that the authority of the contact is sufficient for the purpose of the enquiry
FC13/05 Assess the implications to your organisation of your response to the request, and the consequences of failing to respond
FC13/06 Gather all relevant information, ensuring it is accurate and appropriate to the enquiry
FC13/07 When additional information is required from colleagues, consult with them as appropriate
FC13/08 Where necessary, seek appropriate support and guidance on the content of your organisation's response
FC13/09 When necessary, secure the authority of senior management to submit the response
FC13/10 Submit a response to the enquiry within the agreed timescale which is accurate, up-to-date and which includes all required information
FC13/11 Keep accurate records on the enquiry and the response provided in case of future action
Behaviours underpinning effective performance

Communicating
- You understand and respect the limitations that client and commercial confidentiality may place on your communications
- You make appropriate information and knowledge available to those who need it and who are entitled to have it
- You present information clearly, concisely, accurately, and in a manner that promotes understanding

Influencing
- You are able to make a critical evaluation of arguments, assumptions, concepts and data, and to challenge constructively the status quo

Professionalism
- You focus on results, and take personal responsibility for making things happen
- You carry out tasks with due regard to your organisation’s policies and procedures
- You gather and manage information effectively, efficiently, ethically and lawfully

Knowledge and understanding
To achieve this unit, you will require the following knowledge and understanding:
1. How your organisation defines financial crime
2. Your organisation’s procedures for dealing with enquiries
3. Who has the empowered authority to request information from your organisation
4. How to check and validate the identity of the contact making the enquiry
5. The timescales for submitting a response
6. The types of enquiries that require your attention and to where, or whom, in your organisation, these are usually made
7. Why it is important to respond to enquiries and requests for information
8. What are the implications for your organisation of not responding to enquiries
9. What barriers to submitting a response may exist
10. Who to approach within your organisation for support and guidance on the content of your response, as appropriate
11. Who is responsible for authorising responses, and how to gain authorisation
12. The procedures for recording enquiries and their responses
13. Your organisation’s requirements relating to the application of codes, laws and regulatory requirements
CFC 14: Compile and use management information to influence activity to counter financial crime

Overview
This standard is relevant to roles in countering financial crime.

You must ensure that you receive all relevant and required management information (MI) to make accurate and timely reports to senior management and regulators on countering financial crime activity within your organisation. You will identify where action is needed to improve systems and controls, establishing where these are most urgent, and take steps to ensure that necessary changes are addressed.

Outcomes of effective performance
You must be able to do the following:

- FC14/01 Ensure that systems are in place for, and that they can deliver, the MI necessary to produce reports
- FC14/02 Receive and collate all required and relevant MI reports
- FC14/03 Ensure that all MI is accurate and up-to-date
- FC14/04 Review and analyse findings to make an accurate evaluation of countering financial crime performance and identify trends
- FC14/05 Identify from findings where action can be taken to make improvements to systems and controls to counter financial crime
- FC14/06 Report findings internally and externally, as appropriate
- FC14/07 Assess and establish the priorities for action
- FC14/08 Ensure that appropriate action is taken to address issues highlighted

Behaviours underpinning effective performance

Communicating
- You encourage others to share information and knowledge within the limits of client and commercial confidentiality
- You understand and respect the limitations that client and commercial confidentiality may place on your communications

Problem solving and decision-making
- You are able to make a critical evaluation of arguments, assumptions, concepts and data, and to challenge constructively the status quo
- You propose courses of action that are timely, appropriate and achievable
- You have an awareness of the consequences, implications and risks of courses of action you propose
- You have a clear understanding of the regulatory and commercial environments within which decisions have to be taken

Influencing
- You identify and explain the benefits to others of the actions you propose to take
Professionalism

- You gather and manage information effectively, efficiently, ethically and lawfully

Knowledge and understanding

To achieve this unit, you will require the following knowledge and understanding:

1. How your organisation defines financial crime
2. The systems and procedures for producing MI required for reports
3. The legal and regulatory requirements for producing MI
4. The information that you are required and authorised to receive
5. The procedures to ensure that all information is accurate and up-to-date
6. How to review and analyse findings and the factors to take into consideration
7. How to identify where action needs to be taken to strengthen systems and controls
8. How to evaluate the importance of your findings
9. Where appropriate, which colleagues to involve in reviewing findings
10. The appropriate procedures for strengthening systems and controls
11. Your organisation’s requirements relating to the application of codes, laws and regulatory requirements
CFC 15: Evaluate the effectiveness of systems and controls for countering financial crime

Overview
This standard is relevant to roles in countering financial crime.

You must evaluate the day-to-day application of systems and controls and check that they are being utilised appropriately. You must conduct checks to ensure that procedures are applied consistently to maintain organisational compliance. Protection of client confidentiality and information security are critical factors to consider when evaluating the effectiveness of systems and controls.

Outcomes of effective performance
You must be able to do the following:

FC15/01 Ensure regular updates are received as required from internal and external sources
FC15/02 Ensure that confidentiality of client information is maintained
FC15/03 Ensure that regular checks are conducted on client databases and on business activity to identify potential financial crime
FC15/04 Check the application of procedures to ensure that they are implemented consistently across your organisation
FC15/05 Ensure that accurate, up-to-date and complete records of your evaluation are maintained
FC15/06 Review actions taken in response to findings of monitoring operations to ensure compliance with your organisation's procedures and regulatory requirements
FC15/07 Ensure that, where relevant, non-compliance is identified and reported as appropriate
FC15/08 Record the outcomes of monitoring operations and present the information to senior management

Behaviours underpinning effective performance

Communicating
- You encourage others to share information and knowledge, within the limits of client and commercial confidentiality

Problem solving and decision-making
- You are able to make a critical evaluation of arguments, assumptions, concepts and data, and to challenge constructively the status quo
- You have a clear understanding of the regulatory and commercial environments within which decisions have to be taken

Professionalism
- You gather and manage information effectively, efficiently, ethically and lawfully
- You carry out tasks with due regard to your organisation’s policies and procedures
**Knowledge and understanding**

To achieve this unit, you will require the following knowledge and understanding:

1. How your **organisation** defines **financial crime**
2. The information that is required to facilitate efficient monitoring of countering **financial crime** operations
3. The importance of maintaining **client** confidentiality
4. Why regular checks need to be conducted on **client** databases and business activity and the frequency with which this should be completed
5. How to review actions taken to ensure compliance with your **organisation's** procedures and regulatory requirements
6. How to recognise non-compliance with your **organisation's** procedures and regulatory requirements
7. The procedures for recording and presenting your findings
8. Your **organisation's** requirements relating to the application of codes, laws and regulatory requirements
CFC 16: Evaluate the implementation of your organisation's financial crime policy

Overview
This standard is relevant to roles in countering financial crime.

You must take a strategic view on the overall implementation of countering financial crime policy. This involves ensuring that systems and controls are monitored to identify weaknesses and to understand why failures occur. You will need to recommend actions to remedy ineffective controls and report your findings in the appropriate manner. You will need to make sure that adequate reporting channels exist for communicating recommendations for improvements to controls, and that clear procedures are in place and communicated to staff to safeguard information security.

Outcomes of effective performance
You must be able to do the following:

FC16/01 Oversee the use of systems and controls, taking account of all relevant evidence and factors pertaining to their effectiveness

FC16/02 Review the conduct of your organisation in countering financial crime, referencing good practice in terms of ethical, moral and lawful behaviour

FC16/03 Ensure that the policies and procedures for countering financial crime reflect the values of your organisation and that they are effectively communicated within and outside your organisation

FC16/04 Identify and review the impact that countering financial crime policies and procedures have on each area of your organisation

FC16/05 Review the resources required for the continued implementation of countering financial crime policy to ensure that it is sustainable

FC16/06 Recommend areas for change or improvement in countering financial crime policy where they are identified as necessary

FC16/07 Report to those responsible for implementing the actions needed for improvement, where appropriate, and confirm when they have been carried out
**Behaviours underpinning effective performance**

**Communicating**
- You make appropriate information and knowledge available to those who need it and who are entitled to have it

**Influencing**
- You identify and explain the benefits to others of the actions you propose to take

**Problem solving and decision-making**
- You have a clear understanding of the regulatory and commercial environments within which decisions have to be taken
- You propose courses of action that are timely, appropriate and achievable.
- You have an awareness of the consequences, implications and risks of courses of action you propose

**Professionalism**
- You reflect on your performance, and seek constantly to improve
- You carry out tasks with due regard to your organisation’s policies and procedures
- You gather and manage information effectively, efficiently, ethically and lawfully

**Knowledge and understanding**

To achieve this unit, you will require the following knowledge and understanding:

1. Your organisation’s mission and values, policies and objectives
2. How your organisation defines financial crime
3. How to develop evaluation measures and criteria
4. The information that is required to inform your evaluation of countering financial crime policy, and from where to obtain it
5. How to determine if you have sufficient information and evidence to evaluate countering financial crime policy
6. How to analyse the information and evidence to make judgements about countering financial crime policy
7. How to identify the action needed to improve the effectiveness of countering financial crime policy
8. To whom to report the findings of your evaluation
9. The procedures and methods for checking that improvements have been implemented
10. Your organisation’s requirements relating to the application of codes, laws and regulatory requirements

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To achieve this unit, you will require the following knowledge and understanding:

1. Your organisation’s mission and values, policies and objectives
2. How your organisation defines financial crime
3. How to develop evaluation measures and criteria
4. The information that is required to inform your evaluation of countering financial crime policy, and from where to obtain it
5. How to determine if you have sufficient information and evidence to evaluate countering financial crime policy
6. How to analyse the information and evidence to make judgements about countering financial crime policy
7. How to identify the action needed to improve the effectiveness of countering financial crime policy
8. To whom to report the findings of your evaluation
9. The procedures and methods for checking that improvements have been implemented
10. Your organisation’s requirements relating to the application of codes, laws and regulatory requirements
CFC 17: Evidence the effectiveness of staff training in countering financial crime

Overview

This standard is relevant to roles in countering financial crime.

You must assess staff awareness of the risks of financial crime to determine the extent to which training has been effective. You will need to identify a benchmark against which to measure awareness, and take into account any factors that may impact on the effectiveness of training.

Outcomes of effective performance

You must be able to do the following:

- FC17/01 Ensure you have full and accurate information of financial crime training undertaken and its purpose
- FC17/02 Establish a benchmark of good practice against which to evaluate effectiveness of staff training
- FC17/03 Obtain accurate information, following training, on staff awareness of countering financial crime practice and how this has improved or otherwise
- FC17/04 Identify and define key awareness indicators against which to evaluate embedding of staff training
- FC17/05 Identify and obtain information on any mitigating factors which may impact on staff awareness
- FC17/06 Assess staff awareness against indicators and benchmarks
- FC17/07 Where relevant, identify from management information the need for further training, or any other action required
- FC17/08 Communicate to others the importance of training for countering financial crime
- FC17/09 Report the outcome of your evaluation as appropriate

Behaviours underpinning effective performance

Problem solving and decision-making

- You have a clear understanding of the regulatory and commercial environments within which decisions have to be taken
- You show integrity, fairness and consistency in your decision-making

Professionalism

- You gather and manage information effectively, efficiently, ethically and lawfully
- You carry out tasks with due regard to your organisation’s policies and procedures

Working with others

- You monitor the quality of work and progress of plans, where necessary taking appropriate corrective action and adjusting for changes in circumstances
Knowledge and understanding

To achieve this unit, you will require the following knowledge and understanding:

1. How your organisation defines financial crime
2. Where to obtain information on training undertaken and its purpose
3. How to establish benchmarks of good practice and factors to take into consideration
4. The information on staff awareness which you will need to allow you to make a sound judgement on the effectiveness of training undertaken
5. The key awareness indicators against which to make your assessment
6. Why it is important to identify mitigating factors and how assess their relative importance
7. The mechanisms by which to assess staff awareness
8. The range of training available to address staff requirements
9. The procedures for reporting the findings of your evaluation
10. Your organisation's requirements relating to the application of codes, laws and regulatory requirements
## Glossary of terms

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
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<tbody>
<tr>
<td>Board</td>
<td>This is the body responsible for the strategic direction and overall running of the organisation. In some cases, depending on the type of organisation, this is also known as the governing body.</td>
</tr>
<tr>
<td>Client</td>
<td>This can be either an individual or an organisation, and differs according to the type of financial institution. It refers to those who have obtained a product or service offered by your organisation; in some cases they might be known as, clients, depositors or investors.</td>
</tr>
<tr>
<td>Empowered Authority</td>
<td>This is any individual or authority that is legally entitled to make a request of your organisation. This most often takes the form of a request for information and, in the case of financial crime, is likely to originate from a law enforcement agency, or the regulator.</td>
</tr>
<tr>
<td>Financial Crime</td>
<td>This includes any offence involving money laundering, terrorist financing, fraud or dishonesty, or market abuse. This includes financial crime both internal, and external, to a financial services organisation.</td>
</tr>
<tr>
<td>Information security</td>
<td>This is the process of protecting information from unauthorised access and use. In the case of financial organisations, this is an important consideration in maintaining confidentiality. It may involve the use of physical systems, written processes and procedures and be incorporated into the culture and ethos of the organisation.</td>
</tr>
<tr>
<td>Legal and regulatory requirements</td>
<td>This refers to a range of obligations incumbent upon financial organisations, and is commonly referred to as ‘compliance’ requirements. The legal and regulatory requirements of an organisation, or individual/s within it (such as ‘approved persons’), may differ slightly according to the type of financial organisation and the services it offers. The regulator of all providers of financial services in the UK oversees a number of regulated activities under powers derived from the Financial Services and Markets Act 2000.</td>
</tr>
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1 Definition based on the Financial Services Authority (FSA) definition of financial crime.
A number of other pieces of UK legislation are relevant to the countering of **financial crime**, such as the Proceeds of Crime Act (POCA), the Serious Organised Crime and Police Act (SOCPA), the Fraud Act 2006, for example.

UK financial institutions are also subject to European Commission legislation enacted by the British Government, such as the Market Abuse Directive and the Basel 2 Accord (for capital adequacy).

Financial organisations, like any other employer, are also subject to a range of legal requirements covering areas such as discrimination, equality and diversity, Health and Safety and Data Protection.

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<th>Legal and regulatory requirements (Cont.)</th>
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<th>Organisation</th>
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<tr>
<td>This refers to an organisation that offers financial services – this could be insurance, investment, lending and credit, pensions, securities and derivatives. It includes organisations in both the public and private sectors.</td>
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<tr>
<th>Resources</th>
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<tr>
<td>This refers to a range of assets required for the achievement of an organisation’s business objectives, or a specific function. This includes both physical assets, such as capital, people and equipment, and ‘virtual’ assets such as skills, knowledge and time.</td>
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<th>Stakeholder</th>
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<tr>
<td>This refers to anyone that has an interest in, or may be affected by, the success of the financial institution; this could be individuals, groups and organisations. For financial organisations this includes the <strong>board</strong>, committees, employees and in some instances shareholders. For some this may also be its <strong>clients</strong>, or investors.</td>
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<table>
<thead>
<tr>
<th>Systems and controls</th>
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<tr>
<td>The practices and procedures put in place to protect an organisation from <strong>financial crime</strong>. In some cases it is accepted that certain (or indeed all) types of <strong>financial crime</strong> cannot be wholly prevented, but controls can limit its extent and impact.</td>
</tr>
</tbody>
</table>