

ICA Essentials: Transaction Monitoring

Transaction monitoring is a key area of importance in managing financial crime risk. Through this essentials workshop, learners will get a fundamental understanding of the topic, and its vital role in the control framework. This workshop is suitable for individuals who would like a fundamental understanding of the topic.

What will you learn?

- Define the AML Regulatory requirements for transaction monitoring
- Understand how Client Due Diligence and transaction monitoring work is performed within the three lines of defence the challenges faced
- Appreciate how TM systems architecture and key processes work in practice
- Consider ways to overcome limitations and challenges in TM systems
- Understand how AML/CFT alerts are being generated, investigated, escalated and cleared
- Apply their knowledge in a case study

Related Course: ICA Certificate in Anti Money Laundering

Course Outline

- 1. International AML/FT framework**
 - FATF
 - Wolfsberg
 - EU/US/UK/MAS
- 2. Role of transaction monitoring (TM)**
 - Money laundering process, Know Your Customer (KYC) and TM
 - Overview of KYC and TM process and stages
 - The 3LoD model and KYC and TM in Financial Institutions
- 3. How TM systems work**
 - Legacy TM system architecture overview
 - Fuzzy logic and name screening
 - Limitations with screening tools and fuzzy logic matching
 - How TM systems work(ed) – rules and scenarios
 - Limitations with rules and scenarios
- 4. TM alerts and risk based approach investigation**
 - Externally generated alerts
 - Internally generated alerts - the risk rating model.
 - RMA alert investigation model and approach
 - Documenting the AML investigation – case narratives and suspicious transaction reports
- 5. Case study 1: Susie Huang - group discussion**
 - Review a short case study, evaluate and comment on the efficacy of the alerts being generated by Bank ABC. The case was initiated by a transaction monitoring alert.
- 6. Latest ML/TF typologies and current trends**
 - Pandemic response – digital transformation
 - FATF related ML/TF risks and policy responses