

ICA Diploma in Anti Money Laundering



Syllabus

Module 1

Unit
1

Money Laundering and Countering the Financing of Terrorism (CFT) - Definition 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 organisations (NGOs)
- The interface between money laundering and corruption

Unit
3

The International Anti Money Laundering (AML) and Countering the Financing of Terrorism (CFT) Framework

- Development of domestic anti money laundering and counter financing of terrorism (AML/CFT) frameworks
- Legislation
- Regulatory bodies and industry guidance
- Industry and professional bodies and guidance

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 Terrorist Financing and Proliferation Financing

- The international strategy on terrorism financing
- The USA Patriot Act and US extraterritoriality
- The EU strategy on terrorism financing
- Characteristics and sources of terrorist financing
- The financing of terrorism
- 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 lists and screening
- Quality assurance and testing
- Internal communications and training
- Sanctions Guidance

Module 2

Unit 7 Concepts of Risk Management

- Key concepts of risk management
- The identification of money laundering and terrorist financing risks
- Countering the risk of terrorist financing
- Identifying and assessing risk
- Creating 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
- Identifying and managing specific money laundering risks
- Understanding the interrelated business risks
- Continuous review of the risk-based approach to AML/CFT

Unit 9 The AML/CFT Governance Framework

- Managing AML/CFT compliance risks
- Defining roles and responsibilities
- The money laundering reporting officer (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 a 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

- Introduction
- Creating an effective AML/CFT compliance culture
- Common cultural barriers
- Staff awareness and training
- Competency testing

Module 3

Unit 12 Vulnerabilities of Products and Services

- Introduction
- Retail banking services
- Lending and credit facilities
- Cyber-laundering, electronic payment systems and emerging technologies
- International trade and trade finance
- Wealth management
- Investment management services and securities
- Stockbroking, investment management and fund products
- Retail investment funds
- Life insurance and pensions
- General insurance
- Money services businesses (MSBs)
- Non-financial professionals (lawyers and accountants)
- Trusts and corporate services providers

**Unit
13****Customer Due Diligence (CDD)**

- What is CDD?
- Taking a risk-based approach to CDD
- The value of CDD information
- Transparency and beneficial ownership requirements
- The requirement 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
- Relying on third parties and accepting introduced business
- Customer reviews and updating CDD
- Compliance monitoring of the CDD process
- Retaining customer records

**Unit
14****Escalation and Exit Strategies**

- 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 and filtering programme
- 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
- The mandatory reporting requirement
- Currency transaction reporting
- Designing an effective internal reporting system
- The nominated officer's evaluation process
- Making a SAR to law enforcement
- EUROPOL's *From Suspicion to Action Report*

**Unit
17****Post-Reporting Considerations**

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

**Unit
18****Dealing with the Authorities**

- Introduction
- Obtaining law enforcement consent
- Post-SAR procedures
- Responding to informal requests for additional information
- Monitoring/production and other court orders
- Legal professional privilege
- Fraud and international cooperation notices
- Restraint orders
- Confiscation orders
- Civil asset recovery
- Managing document retention