



The 12 AML & CTF Control Points
to help you assess your compliance
status before the end of the year.



Make sure that your process and your AML files are up-to-date.

The end of the year is often a busy period and in addition, there is a significant administrative and regulatory burden. Ensuring that its clients files are up-to-date with anti-money laundering & counter terrorist financing regulations is one of these important tasks.

1

Check that AML/CTF policies are up-to-date and signed by the Board of Directors.

Following updates of the 5th and 6th European Union AML Directive, check that changes are properly reflected in your policies and validated. Make sure to update your clients in the registers of economic beneficiaries, updating primary offences... These policies must be reviewed at **least once a year and at each major regulatory change**.

2

Check that updated procedures have been validated by the appropriate people (Chief Compliance Officer / Money Laundering Reporting Officer).

Make sure your AML/CTF procedures incorporate a risk-based approach that focuses on three areas: client, product, geography. Each review must be dated and signed by all authorized persons. An annual review is a best practice.

3

Check that KYC files are up-to-date (especially old ones) & check the completeness of files based on samples.

Make sure that :

- all documents necessary for entering a business relationship have been obtained and are always up-to-date (valid identification, proof of residence, etc.).
- you've done a risk assessment
- you've identified Ultimate Beneficial Owners (UBO) on all the structures you have in your portfolio.
- For clients who are no longer in your portfolio, archive the documentation and ensure that you keep it according to the archiving requirements set by your regulator.

4

Check that all UBOS are identified and notified in your country's Register of Beneficial Owners.

This operation has become mandatory for all countries of the European Union.

5

Check the date of your last clients' screenings.

You must be able to justify at least an annual check that your corporate or physical clients are not on sanctions lists. Don't forget to check if some of your clients have not acquired the status of a politically exposed person (PEP) which would strengthen your obligations of vigilance. Also carry out a monitoring of public information that you are able to find in the press and on the internet.

6

Also check your assets and not just those of your clients.

It is essential to carry out Know Your Business (KYB)-oriented controls on your entire investment universe whether the assets are «blue chip» or private equity.

7

Check that your exceptions especially on transactional alerts are documented and validated by Management.

If clients or transactions with high risk levels have been accepted, make sure they are documented and validated by Management and presented to the BoD.

8

Check that controls performed are materialized with substantiating documents.

You must have an audit track record of due diligences performed. In the event of a breach, your auditor or regulator will consider an undocumented control to be deficient.

9

Check that your employees received an appropriate training.

Your employees must be trained on AML/CTF obligations when they are recruited but they must be trained on an on-going basis to know regulatory changes.

10

Cooperate with the authorities.

Do not forget to report your suspicious activity reports to the financial intelligence unit (FIU) if there is a reasonable doubt about a client's transaction.

Two additional points for larger structures

11

Submit the CCO/MLRO reports to the BoD.

The controls to be carried out by the CCO have to be included in its report to the Board on the AML part. They must be performed at a minimum on the basis of samples on the Client and transactional aspects.

12

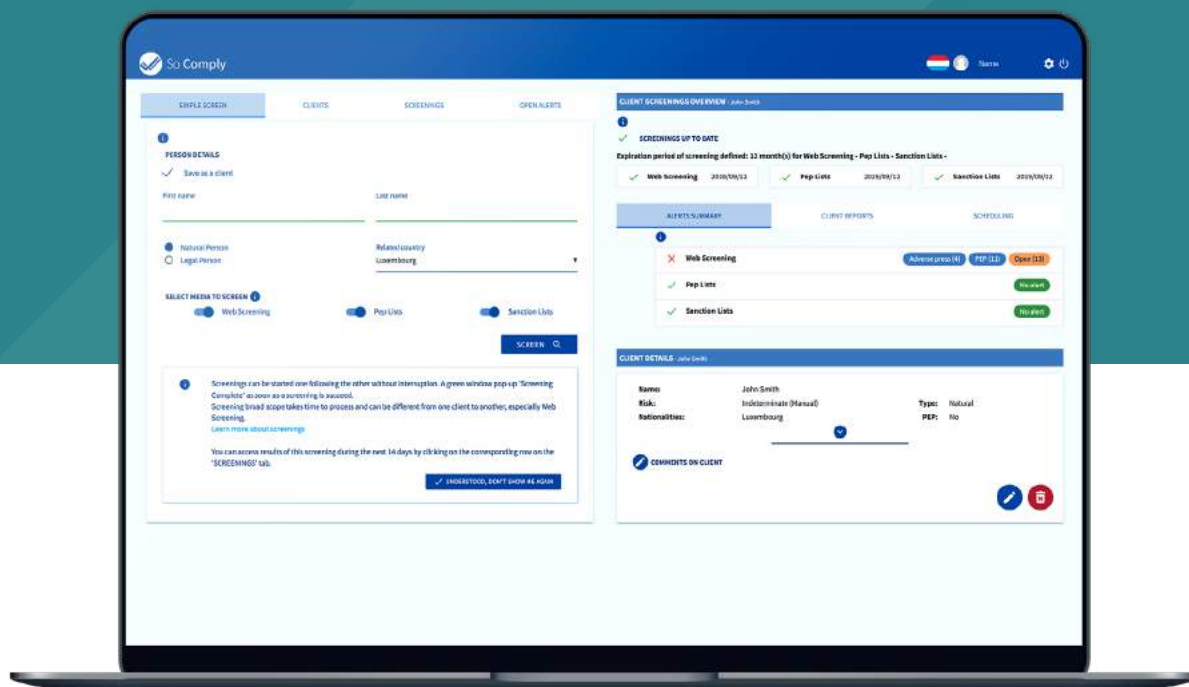
Check that the AML/CTF processes are included in the internal audit control plan.

Make sure AML/CTF processes are in your internal audit department's annual audit plan if your corporation has an internal audit department.

Well-functioning AML/CTF processes can become a competitive advantage as long as they are effective.

They will allow you to onboard a client faster than your competitors.

Smart Oversight supports you with an **easy solution to comply with your KYC & AML obligations.**



Get 15 screenings free to test our Online solution on
smart-oversight.com/free-trial

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