

AML/CTF

Compliance Assessment Template 2024

This template is designed to assist you in conducting a self-assessment of your Anti-Money Laundering (AML) and Counter-Terrorist Financing (CTF) compliance program, if any. It is important to note that this is a general framework, and specific requirements may vary depending on your jurisdiction and industry.

I. Introduction

- Date of Assessment
- Company Name
- Assessment Conducted By: (Name and Title)

II. Regulatory Framework

- Identify the relevant AML/CTF regulations applicable to your business (e.g., Financial Crimes Enforcement Network (FinCEN) rules in the US, Fifth Money Laundering Directive (5MLD) in the EU).

III. Risk Assessment

- **A. Client Risk Assessment**
 - **Procedures:** Describe your procedures for identifying and assessing the AML/CTF risks associated with your clients. This includes factors such as:
 - Customer Due Diligence (CDD) level (Simplified, Enhanced, etc.) based on risk profile
 - Source of funds/wealth
 - Geographic location (high-risk countries)
 - Transaction types and volumes
 - **Assessment Tools:** List the tools and resources used to assess client risk (e.g., sanctions lists, PEP screening).
 - **Testing:** Explain how you test the effectiveness of your client risk assessment procedures.
- **B. Transaction Monitoring**
 - **Procedures:** Describe your procedures for monitoring transactions for suspicious activity. This includes:
 - Identifying red flags indicative of money laundering or terrorist financing
 - Setting thresholds for transaction monitoring

- Reporting suspicious activity to the authorities
- **Technology:** Specify the technology systems used for transaction monitoring (e.g., transaction monitoring software).
- **Testing:** Explain how you test the effectiveness of your transaction monitoring procedures.
- **C. Internal Controls**
 - **Procedures:** Describe your internal controls for mitigating AML/CTF risks. This includes:
 - Segregation of duties
 - Employee training
 - Recordkeeping procedures
 - **Testing:** Explain how you test the effectiveness of your internal controls.

IV. Ongoing Monitoring and Reporting

- Describe your procedures for ongoing monitoring of your AML/CTF program, including periodic reviews and updates.
- Explain your process for reporting suspicious activity to the authorities.

V. Policies and Procedures

- Identify and list all relevant AML/CTF policies and procedures in place within your organization.
- Explain how you ensure that employees are aware of and understand these policies and procedures.

VI. Training

- Describe your AML/CTF training program for employees. This includes:
 - Frequency of training
 - Content covered in the training (e.g., recognizing red flags, reporting procedures)
 - Documentation of training completion

VII. Recordkeeping

- Describe your procedures for maintaining AML/CTF records, including:
 - Types of records maintained (e.g., customer identification documents, transaction monitoring reports)
 - Retention period for records

VIII. Deficiencies and Corrective Actions

- Identify any deficiencies identified during the assessment.
- Develop a plan for corrective action, including timelines for implementation.

IX. Conclusion

- Briefly summarize the overall findings of the assessment.
- State any recommendations for improvement.

X. Appendix

- Include any relevant supporting documents, such as AML/CTF policies, training materials, and risk assessment tools.

Additional Considerations

- This template is a starting point, and you may need to adapt it to your specific business needs and regulatory requirements.
- It is recommended that you seek guidance from a qualified AML professional to ensure your program is compliant with all applicable regulations.
- Regularly update your AML/CTF program to reflect changes in regulations and best practices.

By following this template and conducting regular assessments, you can help ensure that your AML/CTF program is effective in mitigating the risks of money laundering and terrorist financing.

See our Step by Step Guide for Implementing an Anti-Money Laundering/Know Your Customer (AML/KYC) and Counter-Terrorist Financing (CTF) program.