



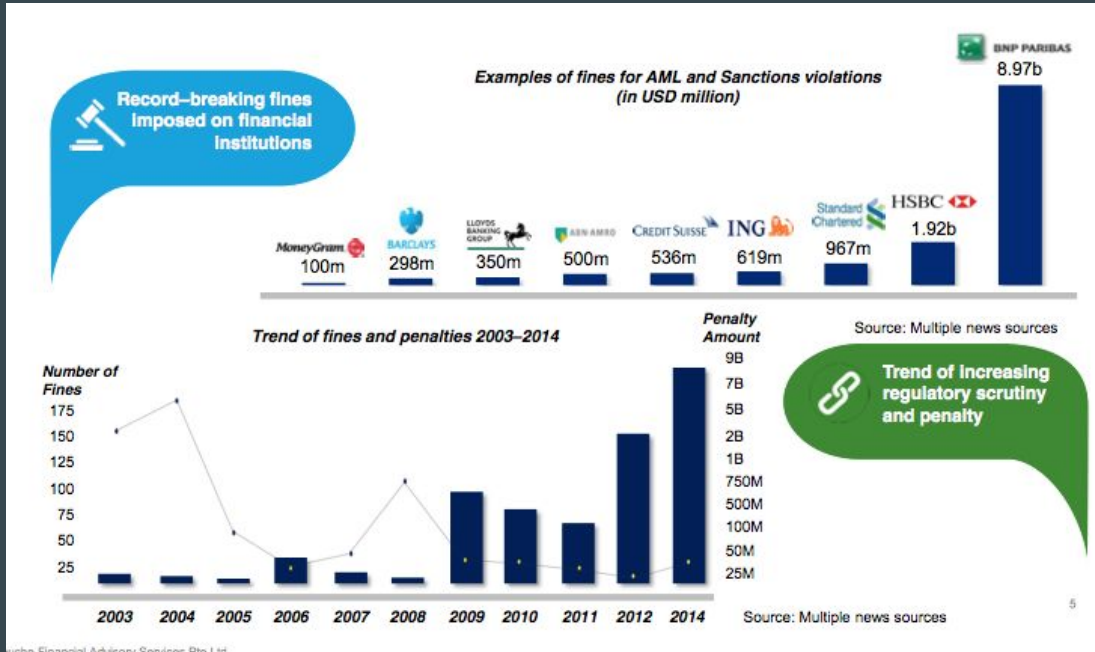
# AML-CFT Risk Management Training

Iconomy Holdings Pte Ltd

# Introduction



# Financial Crime Compliance (FCC): Top Concern of Regulators



# Terrorist Financing: What is it?



- Main Purpose: Threaten the public, governments and international bodies
- CFT Suppression Measures - Dry out financial resources of financial crime syndicates

# Sources of Terrorist Financing



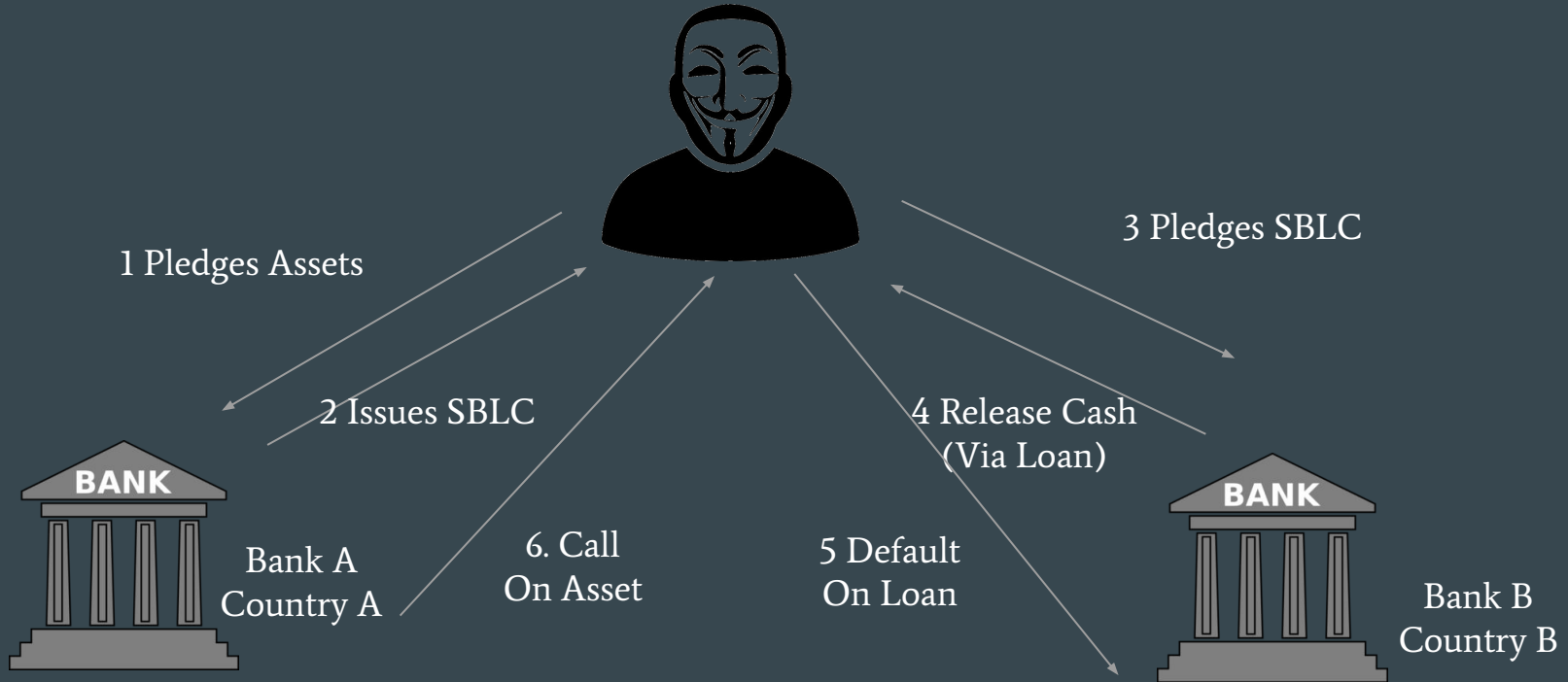
- Financed by states, private actors, individuals and organisations
- Donations and investments
- Recent clampdown leads to illegal sources of fundings
  - Arms trafficking
  - Extortion
  - Kidnapping
  - Drug Trafficking

# Movements of Funds



- Financial System
- Cash
- Cryptocurrencies
- Precious Metals
- SBLC
- Unregulated Money Remittance Technology

# Illustration: Movements of Funds Through SBLC



# Defence Strategy

19 av.

■ New Visitor ■ Returning Visitor





# 3 Lines of Defence



## 3<sup>rd</sup> Line of Defence

### Internal Audit

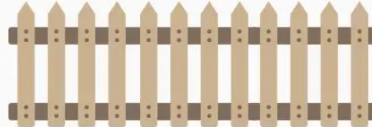
Advisory role to improve processes



## 2<sup>nd</sup> Line of Defence

### Risk & Control Functions

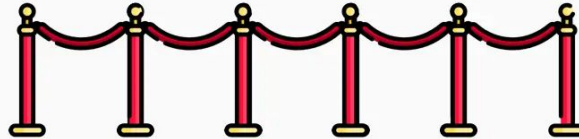
Independent risk control and compliance



## 1<sup>st</sup> Line of Defence

### Business Operations

Enterprise-wide risk management on business operations



# Comprehensive AML Policy



- Senior Management Oversight
- Designated Compliance Personnel
- Documentation
- Independent Audit of AML Policy
- Risk Assessment
- Retention Period
- Training

# Enhanced Customer Due Diligence (ECDD)



- Politically Exposed Persons (PEP)
- Public Watchlists
- Located in High Risks Locations
- Suspicious Transactions and Activities

# Identifying Politically Exposed Persons (PEP)



- Individual searches
- Opaque corporate structure ownerships
  - Offshore structures
  - Complex structures

# Public Watchlists Cross Checks



- MAS Sanction List (<https://www.mas.gov.sg/regulation/anti-money-laundering/targeted-financial-sanctions/lists-of-designated-individuals-and-entities>)
- UN Council Sanction List (<https://www.un.org/securitycouncil/content/un-sc-consolidated-list>)
- QuestNet

# Locations: Basel AML Index

Ranking	Country	Score
1	Afghanistan*	● 9.16
2	Haiti	● 9.15
3	Myanmar	● 7.96
4	Laos*	● 7.82
5	Mozambique*	● 7.81
6	Cayman Islands	● 7.64
7	Sierra Leone*	● 7.51
8	Senegal	● 7.30
9	Kenya*	● 7.18
10	Yemen*	● 7.12

11	Cambodia	● 7.10
12	Vietnam*	● 7.04
13	Angola*	● 7.02
14	Nigeria*	● 6.88
15	Benin*	● 6.85
16	Nicaragua	● 6.78
17	Côte d'Ivoire*	● 6.78
18	China	● 6.76
19	Algeria*	● 6.74
20	Venezuela*	● 6.56

# Suspicion Transaction Reporting (STR)

## STRO Online Notices and Reporting Platform (SONAR)

	Suspicious Transaction Report	Cash Movement Report (Form NP 728)		Cash Transaction Report (Form NP 784)
Filer Type	Businesses and employees of businesses	Businesses and employees of businesses	Individuals	Businesses and employees of businesses
Accounts needed	CorpPass + SONAR <a href="#">SONAR User Guide for STR User</a>	CorpPass + SONAR <a href="#">SONAR User Guide for CMR User</a>	SingPass	CorpPass + SONAR <a href="#">SONAR User Guide for CTR User</a>
Software needed	Adobe Acrobat Reader to view and edit forms			
Forms	Registered users can download Electronic STR Form and Form Guide from SONAR.	<a href="#">Electronic Form NP 728</a>		<a href="#">Electronic Form NP 784</a>
Form Guide		<a href="#">Guide to Fill Up Electronic Form NP 728</a>		<a href="#">Guide to Fill Up Electronic Form NP 784</a>

<https://www.police.gov.sg/sonar>

# Suspicion Transaction Reporting (STR)

## To Register

- Scanned NRIC of Authorised Personnel (Colored)
- Letter of Authorisation Issued in Company's Letterhead (Colored)
- ACRA Business Profile



**Thank You!**