

AML/CFT Supervisory Expectations

To ensure AML/CFT effectiveness, there should be robust governance, underpinned by strong risk awareness and effective execution of frameworks, systems and controls.

Robust Governance



Active board and senior management oversight of AML/CFT frameworks, systems and controls



Put in place **effective compliance** and **independent audit arrangements**



Comprehensive reporting and escalation processes

Strong Risk Awareness



Clear individual ownership and accountability of ML/TF risks, including for front line staff



Adequate guidance tailored to address specific ML/TF risks



Customised training programmes for all three lines of defence

Effective Execution



Timely periodic reviews; independent corroboration of SOW and SOF for higher risk clients;



Risk-based ongoing monitoring commensurate with customers' risk profile



Robust mechanisms to manage red flags