



Anti-Money Laundering (AML)/Countering Financing of Terrorism (CFT) Certification

Summary of the Syllabus

Powered by:



Institute Of Financial Markets Of Pakistan

OBJECTIVE OF THE EXAMINATION

The IFMP Anti-Money Laundering (AML)/Countering Financing of Terrorism (CFT) Certification Exam covers the basic concepts of ML-FT and their techniques, measures of countering ML-FT and the regulatory framework. This course is aimed towards all financial market participants.

TARGET AUDIENCE

This Certification Programme is recommended for all the participants in the Financial Market.

SYLLABUS STRUCTURE

The curriculum is divided into modules and these are broken down into a series of learning objectives. Each learning objective begins with one of the following prefixes: **know**, **understand**, **be able to calculate** and also **be able to apply**. These words indicate the different levels of skill to be tested. Learning objectives prefixed:

- **know** require the candidate to recall information such as facts, rules and principles
- **understand** require the candidate to demonstrate comprehension of an issue, fact, rule or principle
- **be able to calculate** require the candidate to be able to use formulae to perform calculations
- **be able to apply** require the candidate to be able to apply their knowledge to a given set of circumstances in order to present a clear and detailed explanation of a situation, rule or principle

EXAMINATION SPECIFICATION

Each examination paper is constructed from a specification that determines the weightings that will be given to each element. The specification is given below.

It is important to note that the numbers quoted may vary slightly from examination to examination as there is some flexibility to ensure that each examination has a consistent level of difficulty. However, the number of questions tested in each element should not change by more than plus or minus 2.

Examination Specification		
Module number	Module	%age
1	Introduction to Anti-Money Laundering (AML) – Countering the Financing of Terrorism (CFT)	10
2	Techniques of Laundering Money and Financing Terrorism	20
3	Know Your Customer (KYC) / Customer Due Diligence (CDD) Measures	15
4	Risk Assessment / Mitigation / Monitoring and Compliance	15
5	Regulatory Framework	20
6	International Requirements of AML/CFT and Case Studies	20
	Total	100

Module 1: Introduction to Anti-Money Laundering (AML) – Countering the Financing of Terrorism (CFT)

- Money Laundering: The Basics You Need to Know
- Turning “Bad” Money into “Legitimate” Money
- How Money is Laundered
- Importance of AML Efforts
- The Three Stages of Money Laundering:
 - Placement
 - Layering
 - Integration
- What is financing of terrorism
- The consequences of money laundering and terrorist financing
- What is the proliferation of weapons of mass destruction?
- What are international sanctions?

Module 2: Techniques of Laundering Money and Financing Terrorism

- Structuring
- Bulk Cash Smuggling
- Gold
- Money Service Businesses
- Money Orders
- Money Service Business
- Regulations Involving Money Service Businesses
- Wire Transfers
- Casinos
- Trade-Based Money Laundering
- Over- and Under-Invoicing of Goods
- Black Market Peso Exchange
- Underground Banking System (Hundi/Hawala)
- Cyber Banking
- Smart Cards
- Internet
- ATMs
- Prepaid Cards
- Autos
- Correspondent Banking
- Credit Cards
- Real Estate
- Cash-Intense Business
- Insurance

- Digital Currencies
- Reverse Money Laundering and Terrorist Financing

Module 3: Know Your Customer (KYC) / Customer Due Diligence (CDD) Measures

- The Importance of Know Your Customer (KYC) / Customer Identification Program (CIP)
- Elements of a KYC Program
- Customer Identification
- Basic Customer Due Diligence
- Shell Companies
- Identifying Customers Online
- Monitoring Transactions
- The Diligences
- Checklists
- Voo Due Diligence
- When to Perform Due Diligence or Enhanced Due Diligence
- The Investigative Mind-Set
- Trust Your Gut
- Perform Risk-Based Due Diligence
- Sources of Intelligence
- Transaction Monitoring
- Correspondent Banking - Know Your Correspondents
- Politically Exposed Persons
- KYC Potential Red Flags

Module 4: Risk Assessment / Mitigation / Monitoring and Compliance

- Business Risk Assessment
 - The nature, scale and complexity of its activities
 - Its customers, products and services
 - The manner in which it provides these products and services to its customers
 - The reliance which is placed on any third parties for elements of the CDD collected
- Technological Developments and Risk Assessment
 - Operational risks
 - Reputational risks
 - Legal risks
- Customer Risk Assessment
 - Lower risk
 - The business risk assessment
 - The nature, scale, complexity and location of the customer's activities
 - The type of customers, products and services

- The reliance which is placed on any third parties for elements of the CDD collected
- Ongoing Monitoring
 - Transaction monitoring
 - Due diligence monitoring
 - Customer screening
 - Frequency of ongoing monitoring
 - Considering unreasonable customer instructions
 - Handling cash transactions
- Compliance Culture
- Risk Based Approach
- Assessing Compliance with Risk Based Approach

Module 5: Regulatory Framework

- SECP's Anti Money Laundering and Countering Financing of Terrorism Regulations, 2020.
- Definitions
- Risk Assessment and Mitigation
 - Risk Assessment
 - Risk Mitigation and Applying Risk Based Approach
 - New Products, Practices and Technologies
 - Customer Due Diligence
 - Ongoing Monitoring
 - Existing Customers
 - Enhanced Due Diligence
 - Counter Measures against high-risk countries
 - Simplified Due Diligence
 - Reliance on Third Parties
 - TFS Obligations
- Record Keeping
 - Record Keeping
 - Compliance Programs
 - Correspondent Relationship
 - Penalties
- SBP's Anti Money Laundering and Combating the Financing of Terrorism (AML/CFT)
- Regulations for Banks & DFIs
- Definitions
- Regulations
 - Regulation - 1 Risk Based Approach to AML/CFT
 - Regulation - 2 Customer Due Diligence (CDD)
 - Regulation – 3 Reliance on Third Party Financial Institutions for CDD Measures

- Regulation – 4 Targeted Financial Sanctions under UNSC Act, 1948 and ATA, 1997
- Regulation – 5 Politically Exposed Persons (PEPs)
- Regulation – 6 NGO/ NPO/ Charity/ Trust Accounts
- Regulation – 7 Reporting of Transactions (STRs/CTRs)
- Regulation – 8 Record Keeping
- Regulation – 9 Correspondent Banking
- Regulation – 10 Money Value Transfer Services (MVTs) / Exchange Companies
- Regulation – 11 Wire Transfers/Fund Transfers
- Regulation – 12 New Technologies
- Regulation – 13 Internal Controls
- Regulation – 14 Counter Measures for High Risk Jurisdictions
- Regulation – 15 Regulation and Supervision
- Know the relevant sections of THE ANTI-TERRORISM ACT, 1997

Module 6: International Requirements of AML/CFT and Case Studies

- FATF Recommendations
- Asia Pacific Group (APG) on Money Laundering
- UNSC Resolution on Terrorist Financing
- Case Studies