

Highlights of Competencies for Key Roles of Relevant Practitioners in AML/CFT Compliance

The tables below are intended to be used by AIs as reference for ongoing development of competency of Relevant Practitioners responsible for various AML/CFT functions. They are by no means exhaustive or tailored to set out requirements on specific job roles of an individual Relevant Practitioner. AIs can therefore make their own adjustments that better suit their practical circumstances.

1) Core Level

Key Tasks		
<ol style="list-style-type: none"> 1. Assist in AML/CFT risk assessment reviews and communication of results. 2. Assist management in reviewing the AML/CFT compliance risk management framework by performing periodic compliance tests on the AML/CFT program. 3. Execute remediation of compliance deficiencies (discovered internally or by regulators) within a bank. 4. Review and investigate suspicious transaction alerts and prepare appropriate documentation on these investigations and escalate cases of suspicious activity to the appropriate personnel (e.g. Money Laundering Reporting Officer) where further investigation and report filings may be necessary. 		
<i>Technical Skills</i>	<i>Professional Knowledge</i>	<i>Behaviour and Attitude</i>
Be able to: <ul style="list-style-type: none"> • Understand and apply risk assessment methodology • Conduct customer due diligence / know-your-customer processes • Implement remediation of compliance deficiencies identified 	<ul style="list-style-type: none"> • Up-to-date knowledge on AML/CFT legal, regulatory requirements from Hong Kong and globally • AML/CFT policies, guidelines and procedures required by the bank • Nature of deficiencies identified by regulators or within the bank 	<ul style="list-style-type: none"> • Applies professional knowledge to conduct the risk assessment review with due regard to regulatory requirements and quality standards set by the bank • Review customer and transaction data critically to identify suspicious cases; apply judgement to determine

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<ul style="list-style-type: none"> • Collect and document evidence on suspicious transactions; determine if escalation or other follow up action is required • Conduct investigation on suspicious transactions; report investigation approach and results in writing 	<ul style="list-style-type: none"> • Risk scenarios applicable to the bank • Documentation requirements, including evidence and audit trail tracking, and investigation reports to management 	<p>cases for escalation</p> <ul style="list-style-type: none"> • Analyse data to explore root causes and to derive remedial initiatives • Communicate review findings in an accurate and timely manner • Work collaboratively with internal and external stakeholders of the bank
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II) Professional Level

Key Tasks		
<ol style="list-style-type: none"> 1. Develop, implement and periodically review the AML/CFT compliance risk management framework and the related controls for identification, management, monitoring and reporting of AML/CFT compliance risks and issues (including the operation of AML/CFT systems). 2. Review, analyse and communicate AML/CFT management information such as trends surrounding suspicious transactions / filed Suspicious Transaction Reports (STR) and sanctions screening hits. Report results of AML/CFT risk management reviews and identify key areas of improvements. Monitor remedial actions for identified weak AML/CFT controls that require corrective actions. 3. Evaluate and communicate new laws and regulations and stay abreast of all legislative and regulatory developments relating to AML/CFT, both at local and international levels. 4. Review suspicious activity that has been investigated and concluded as reportable and file STRs to the Joint Financial Intelligence Unit (JFIU) in accordance with regulatory requirements. 5. Plan periodic compliance tests on the bank's AML/CFT program against compliance testing policies, procedures and regulations. 6. Provide guidance and training to business units on AML/CFT related matters, including but not limited to transaction monitoring, filtering, sanctions screening, trade based money laundering and correspondent banking. 		
<i>Technical Skills</i>	<i>Professional Knowledge</i>	<i>Behaviour and Attitude</i>
Be able to: <ul style="list-style-type: none"> • Develop, review and update AML/CFT policies, framework and governance with a risk-based approach, against changing 	<ul style="list-style-type: none"> • Up-to-date knowledge and understanding of both the Hong Kong and international regulatory requirements on AML/CFT 	<ul style="list-style-type: none"> • Displays in-depth understanding in the business needs of AI, and able to correlate the knowledge with regulatory requirements

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<p>regulatory requirements in Hong Kong and globally and according to risk profile of the bank</p> <ul style="list-style-type: none"> • Propose improvements to the governance and oversight arrangements for AML/CFT risks, and actions required to address deficiencies • Perform in-depth due diligence investigation into suspicious activity; exercise appropriate judgement and form a conclusion on whether the suspicious activity is reportable to the JFIU based on final due diligence • Reassess the risk rating of the client and consider whether the discontinuance and reputational risks that may arise as a result of the suspicious transaction 	<ul style="list-style-type: none"> • Strong working knowledge of all relevant HKMA handbooks and guidance • In-depth understanding of how the regulatory framework interacts with the bank’s own internal policies and procedures • Knowledge of industry benchmark and best practices in developing and managing the AML/CFT practice of the bank • Scenarios, regulatory requirements, process and procedures for conducting final due diligence investigations and for filing STRs to the JFIU 	<ul style="list-style-type: none"> • Applies skills, knowledge and judgement in making decisions and deriving recommendations, balancing the needs of internal and external stakeholders • Critically review suspicious transactions and investigation outcome; challenge current practices to identify enhancement opportunities on the bank’s AML/CFT practice • Build organisational capability in implementing or enhancing AI’s AML/CFT framework • Communicate and collaborate with internal and external stakeholders effectively to drive for actions on suspicious transactions and enhancement of AML/CFT practices in the bank
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