



Deloitte Financial Crime Academy

Academy Offerings

2022

MAKING AN
IMPACT THAT
MATTERS
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Executive Summary

“Global regulators are continuing to fine companies for anti-money laundering failings at a high rate. Authorities levied almost \$1bn (\$994m) of AML fines in 17 big actions during the first six months of 2021. That is on track to match the surge to \$2.2bn in 2020, up fivefold from \$444m in 2019”

-Financial Times, 23 August 2021

Background

There is increasing pressure on financial institutions and businesses to have proper risk management frameworks in place to detect and curb financial crime. The Interpretive note to Financial Action Task Force (FATF) Recommendation 18 states that Financial institutions’ programmes against money laundering and terrorist financing should include an ongoing employee training programme.

We believe that it is important for professionals to have an understanding of the modern financial crime risks faced by businesses and the minimum requirements imposed on them by regulators to detect and prevent financial crime. Further, Accountable and Reporting Institutions have a regulatory obligation to provide financial crime compliance training to their employees.

Against this backdrop, and to help equip industry players, we are pleased to present the Deloitte Financial Crime Academy (FCA). The FCA is a comprehensive financial

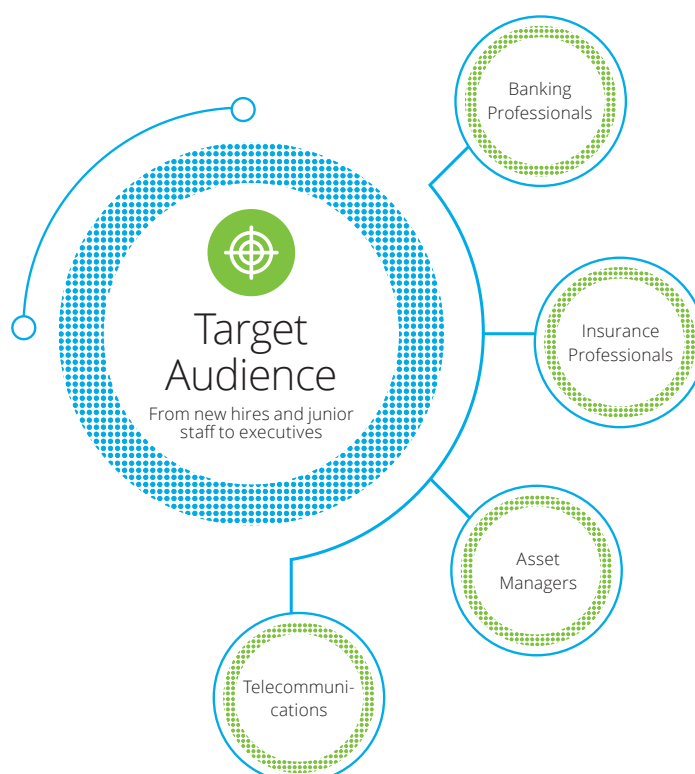
crime training provider, with programmes that aim to provide participants with practical knowledge of the end-to-end Anti-Money Laundering (AML), Countering the Financing of Terrorism (CFT) and Sanctions environment and other key components of financial crime.

The FCA is run by Deloitte subject matter experts and industry experts and goes beyond theoretical knowledge to provide a practical feel of the various risks, controls and industry insights on how the AML, CFT and Sanctions environment is developing. The FCA provides learning through both traditional and digital channels. Subject matter experts at Deloitte provide virtual and in person training while our relationship with Digemy creates a “modern, gamified e-learning solution that uses complex algorithms to assess and close knowledge gaps”.

We work with our clients to design a training programme that is tailor made to fit their organisation.

FCA Outline

1. Overview of Financial Crime
2. General Legislative Universe
3. Regulatory Structures/Bodies Overview
4. Risk-based Approach
5. Governance and Reporting Lines
6. Prominent Persons and High Risk Accounts
7. Enhanced Due Diligence (EDD) and AML Managed Solutions
8. End-to-End AML, CFT and Sanctions Lifecycle
9. Transactions and Activity Monitoring
10. Regulatory Reporting



The Strategic Approach

The diagram below highlights some of the key strategic inputs that have been incorporated into the FCA to ensure that attendees not only improve their financial crime compliance knowledge, but also gain practical experience and insights into the industry.

These training programmes leverage Deloitte's position as one of the leaders in financial crime related advisory services both locally and globally. Attendees will be immersed in the world of financial crime and learn about related practical tools and processes.

Deloitte has tailored a training programme to fit the needs of the financial institution over a running period of three (3) years. Alternatively, the FCA can develop a bespoke programme to fit a client's needs.

This programme includes the following:

- Half-day annual refresher training courses and/or e-learning for all staff – **suitable for all staff levels, as required by Interpretive Note to FATF Recommendation 18**
- Two-day FCA for staff to build a foundation of financial crime knowledge – **suitable for staff whose**

responsibilities can impact Financial Crime, such as executives, and staff involved in onboarding, cross border flows and transaction administration

- Eight-day FCA for staff in financial crime compliance. This course is completed throughout a year and is attended once a quarter for two days. It includes assignments, case studies, detailed material and staff receives a certificate upon completion – **suitable for staff involved in compliance and risk management.**



Overview of Options

For an organisation to have a comprehensive AML, CFT and Sanctions risk management framework, there are various elements that it needs to consider.

These elements are addressed in various capacities depending on the FCA programme selected. Below are the topics that will be covered during the FCA. The 8-day Academy, for example, will cover all the elements as detailed, whereas, the half-day Academy will touch on some of the topics to give a more general understanding of financial crime, whereas the available e-learning course provides an introduction to Financial Crime Compliance.

Each topic will be discussed pragmatically and not solely based on theory, thus giving attendees a more tangible understanding of each element and the controls involved to mitigate financial crime risks.

Academies can be tailored to fit the needs of the financial institution based on the subjects in the table below.

	DETAIL COVERED	½ DAY	E-LEARNING	2 DAY	8 DAY
Overview of Financial Crime	Cover all areas of Financial Crime; Integrated Financial Crime Risk Management	✓	✓	✓	✓
Legislative Overview	Regulations in South Africa, Africa and at International level; Joint Money Laundering Steering Group (JMLSG); Financial Action Task Force (FATF) Recommendations; EU 6th Money Laundering Directive; United Kingdom Regulations; United States Regulations	✓		✓	✓
Regulatory Structures and Bodies	South African Reserve Bank (SARB), Financial Intelligence Centre (FIC), South African Banking Risk Information Centre (SABRIC), US Regulators, UK Regulators; United Nation Security Council (UNSC), Financial Action Task Force (FATF), Wolfsberg Group				✓
Regulatory Actions	Fines; Key areas of concern Lessons learned/Common issues; Financial Crimes Enforcement Network, United States Department of Treasury (FinCEN)				✓
Risk Appetite and Strategy	Risk Based Approach; Business Risk Assessment; Customer Risk Assessment; Product Risk Assessment	✓	✓	✓	✓
Governance and Reporting Lines	Reporting lines/3 lines of defence; Effective oversight and reporting; Lessons learned; Industry insights	✓	✓	✓	✓
Policies and Procedures	Risk Management and Compliance Programme as part of legislative requirements; Sign-off process; Alignment to risk appetite				✓
Management Information and Reporting	The importance of data; The use of systems; Internal reporting and Management Information; Regulatory reporting	✓	✓	✓	✓
End-to-end Process	The customer onboarding experience, from Customer Identification and Verification (CIV), screening and ongoing due diligence	✓	✓	✓	✓
Financial Intelligence Centre Correspondence	Case management; Reporting lines				✓
Customer identification and verification/Know your customer (CIV/KYC)	Entity types; Document types and quality; The use of third parties				✓
CDD, Enhanced Due Diligence (EDD), Ongoing due diligence (ODD) (including Adverse Media)	Due diligence timelines; Requirements and additional information; Enhanced monitoring		✓ Summary	✓	✓
Prominent Persons	Classification as Politically Exposed Person; Prominent Influential Persons; Case studies			✓	✓
Exit, disclose and Prevent Re-entry	Centralised data; Considering the risk appetite; Escalation process				✓
Transaction and Activity Monitoring	Data trends; Customer types and regular activities; Red flags; Case studies			✓	✓
Sanctions	Sanctions; List management; Screening process; Fuzzy logic; Case studies			✓	✓
Suspicious Transactions Reporting (STR) and Cash Threshold Reporting (CTR)	Reporting timelines; Systems and aging; Aggregation; Training; Case studies		✓ Summary		✓
General Legislative Universe	Financial Account Tax Compliance Act (FATCA), United Kingdom Crown Dependencies and Overseas Territories International Tax Compliance Regulations (UKCDOT) and Organisation of Economic Co-operation and Development (OECD) Common Reporting Standards (CRS); Cyber white-collar crime; Fraud Risk Management; Anti-Bribery and Corruption			✓	✓
Anti-Money Laundering (AML), Countering the Financing of Terrorism (CFT) and Sanctions Target Operating Model	Inputs – AS-IS assessment; Maturity assessment; Design decision; Building the Target Operating Model (TOM); Implementation roadmaps			✓	✓
Emerging Risks and Technologies	Bitcoins (and Blockchain); Correspondent banking; Trade finance; Machine Learning; Bots; Artificial Intelligence				✓
Training and Awareness	Best practice guidelines; Levels of training and content to cover; Frequency of training; Financial crime programme			✓	✓
Forensics investigations in the context of financial crime compliance	Overview of forensics investigations in the context of financial crime compliance				✓
Anti-Bribery and Corruption	Overview of local and international regulatory requirements				✓

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