Australian Government

# FNSAML814 Design customer due diligence policies and procedures

**Release: 1**

# FNSAML814 Design customer due diligence policies and procedures

## Modification History

| Release | Comments |
|---|---|
| Release 1 | This version first released with FNS Financial Services Training Package Version 4.0. |

## Application

This unit describes the skills and knowledge required to analyse requirements and design customer due diligence policies and procedures relating to the identification of customers, monitoring of customer behaviour and governance processes and controls for the customer identification process.

The unit applies to individuals who use specialised anti-money laundering and counter terrorism financing (AML/CTF) knowledge and skills to evaluate and apply complex information and compliance requirements and apply to relevant tasks. Individuals typically lead and review organisation wide activities, exercise significant autonomy, responsibility and accountability and contribute to the strategic goals and operations of the organisation. They review, critically analyse, consolidate and synthesise knowledge to generate ideas and provide solutions to complex problems.

No licensing, legislative or certification requirements apply to this unit at the time of publication.

## Unit Sector

Anti-money laundering and counter terrorism financing

## Elements and Performance Criteria

| ELEMENT | PERFORMANCE CRITERIA |
|---|---|
| *Elements describe the essential outcomes.* | *Performance criteria describe the performance needed to demonstrate achievement of the element.* |
| 1. Design processes for customer identification | 1.1 Design processes to collect identification information and documentation from different categories of clients<br>1.2 Design processes for determining ultimate beneficial owner of assets or funds where client is a trust or fund or wealth management company<br>1.3 Design a separate process for verifying client information and |

| ELEMENT | PERFORMANCE CRITERIA |
|---|---|
|  | documentation |
|  | 1.4 Establish procedures for retention and retrieval of information and documentation from clients |
|  | 1.5 Design an assurance or oversight process to ensure all collection, verification, retention and retrieval processes comply with relevant AML/CTF rules and regulations |
|  | 1.6 Design processes for risk rating clients based on evaluating their characteristics, including jurisdiction and nature of business or occupation, with a financial crime specific risk framework |
| 2. Design processes for identifying and monitoring customer behaviour | 2.1 Devise a process for determining a customer's source of wealth |
|  | 2.2 Specify a control for identifying source of funding for a transaction, where required |
|  | 2.3 Design a process for analysing products used by a customer and considering how that may impact their risk profile |
|  | 2.4 Establish a procedure investigating the entities and individuals with whom a client is involved and whether this impacts their risk profile |
|  | 2.5 Determine risk indicators that may apply to specific customers who represent an increased risk to organisation |
|  | 2.6 Determine specific monitoring, approval and review controls applicable to different client categories based on risk that they represent for organisation |
| 3. Design governance processes and controls for customer due diligence processes | 3.1 Determine assurance governance procedures for client identification and money laundering and terror financing (ML/TF) risk processes |
|  | 3.2 Determine oversight framework for customer due diligence procedure |
|  | 3.3 Design a governance framework for customer due diligence policies and procedures |
|  | 3.4 Design a process for ensuring that client risk assessment is consistent with organisation's risk appetite |
|  | 3.5 Specify processes for ensuring that customer due diligence policies and procedures are updated to reflect changes in regulation and organisational risk appetite |
|  | 3.6 Design and document escalation procedure, including escalation triggers and to whom issues will be escalated |
|  | 3.7 Design and document exemptions policy and procedure |

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# Foundation Skills

*This section describes those language, literacy, numeracy and employment skills that are essential to performance but not explicit in the performance criteria.*

| Skill | Description |
|---|---|
| Reading | • Critically analyses complex documentation and records from a variety of sources and consolidates information relating to specific criteria to determine requirements |
| Writing | • Documents outcomes and changes to policies and procedures using industry relevant information and organisational formats and protocols<br>• Compiles logically sequenced texts using appropriate text type and support materials to convey detailed information and clear instructions |
| Numeracy | • Uses a range of mathematical problem-solving techniques to analyse trends, benchmarks and control indicators linked to risk in customers and financial data |
| Self-management | • Follows policies, procedures and regulatory requirements and identifies organisational implications of new legislation or regulations<br>• Plans and sequences complex tasks according to defined requirements and takes responsibility for decisions<br>• Develops systems and supporting documentation to achieve required outcomes |
| Initiative and enterprise | • Seeks to improve policies and procedures to better meet organisational strategic goals<br>• Identifies and resolves key business issues, processes and practices that may breach legal requirements<br>• Applies systematic and analytical decision-making processes in complex and non-routine situations |
| Technology | • Uses main features and functions of digital technologies to complete work tasks |

# Unit Mapping Information

Supersedes and is equivalent to FNSAML804 Design customer due diligence policies and procedures.

# Links

Companion Volume Implementation Guide is found on VETNet -
https://vetnet.gov.au/Pages/TrainingDocs.aspx?q=c7200cc8-0566-4f04-b76f-e89fd6f102fe

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