



Australian Government

FNSAML804 Design customer due diligence policies and procedures

Release: 1

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Modification History

Release	Comments
Release 1	This version first released with FNS Financial Services Training Package Version 2.0.

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.

It applies to individuals who use specialised anti-money laundering and counter terrorism financing (AML/CTF) knowledge and skills to evaluate 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
<i>Elements describe the essential outcomes.</i>	<i>Performance criteria describe the performance needed to demonstrate achievement of the element.</i>
1. Design processes for customer identification	1.1 Design processes to collect information and documentation from different categories of clients 1.2 Design processes for determining the ultimate beneficial owner of assets or funds where the client is a trust or fund or wealth management company

ELEMENT	PERFORMANCE CRITERIA
	1.3 Design a separate process for verifying client information and 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 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 the source of funding for a transaction, where required 2.3 Design a process for analysing the products utilised 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 the risk indicators that may apply to specific customers who represent an increased risk to the organisation 2.6 Determine the specific monitoring, approval and review controls applicable to different client categories based on the risk that they represent for the organisation
3. Design governance processes and controls for the customer due diligence processes	3.1 Determine the assurance governance procedures for client identification and money laundering and terror financing (ML/TF) risk processes 3.2 Determine the oversight framework for the 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 the 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 the escalation procedure, including the escalation triggers and to whom issues will be escalated

ELEMENT	PERFORMANCE CRITERIA
	3.7 Design and document the exemptions policy and procedure

Foundation Skills

This section describes language, literacy, numeracy and employment skills incorporated in the performance criteria that are required for competent performance.

Skill	Performance Criteria	Description
Reading	1.4, 1.5, 1.6, 2.2-2.6, 3.1-3.7	Critically analyses complex documentation and records from a variety of sources and consolidates information relating to specific criteria to determine requirements
Writing	1.4, 1.5, 1.6, 2.2-2.6, 3.1-3.7	- Documents outcomes and changes to policies and procedures using industry relevant information and organisational formats and protocols - Compiles logically sequenced texts using appropriate text type and support materials to convey detailed information and clear instructions
Numeracy	2.1, 2.2	Uses a range of mathematical problem-solving techniques to analyse trends, benchmarks and control indicators linked to risk in financial data
Navigate the world of work	1.1-1.6, 2.1-2.6, 3.1-3.7	- Seeks to improve policies and procedures to better meet organisational strategic goals - Identifies and resolves key business issues, processes and practices that may have legal implications - Follows policies, procedures and legislative requirements and identifies organisational implications of new legislation or regulations
Get the work done	1.1-1.6, 2.1-2.6, 3.1-3.7	- Plans and sequences complex tasks according to defined requirements and takes responsibility for decisions - Applies systematic and analytical decision-making processes in complex and non-routine situations - Develops systems and supporting documentation to achieve required outcomes - Uses the main features and functions of digital technologies to complete work tasks

Unit Mapping Information

Code and title current version	Code and title previous version	Comments	Equivalence status
FNSAML804 Design customer due diligence policies and procedures	Not applicable	New unit	No equivalent unit

Links

Companion Volume implementation guides are found in VETNet -

<https://vetnet.gov.au/Pages/TrainingDocs.aspx?q=c7200cc8-0566-4f04-b76f-e89fd6f102fe>

Assessment Requirements for FNSAML804 Design customer due diligence policies and procedures

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Performance Evidence

Evidence of the ability to:

- design organisational processes for customer due diligence including customer identification, identifying and monitoring customer behaviour and controls for the processes
- document customer due diligence processes accurately and clearly using organisational formats and protocols.

Note: If a specific volume or frequency is not stated, then evidence must be provided at least once.

Knowledge Evidence

To complete the unit requirements safely and effectively, the individual must:

- explain the money laundering and terrorism financing (ML/TF) customer due diligence process, including customer identification, identifying and monitoring customer behaviour and controls used
- explain organisational processes and procedures for documenting and implementing policies and procedures
- describe assurance governance procedures for customer identification processes
- outline the key features and requirements of the legislative, regulatory and industry requirements for anti-money laundering and counter terrorism financing (AML/CTF).

Assessment Conditions

Assessment must be conducted in a safe environment where evidence gathered demonstrates consistent performance of typical activities experienced in the AML/CTF field and include access to:

- relevant legislation, regulations, standards and codes
- relevant organisational records, policies and procedures.

Assessors of this unit must satisfy the requirements for assessors in applicable vocational education and training legislation, frameworks and/or standards.

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