

**Specification of Competency Standards**  
**for the Banking Industry**  
**Unit of Competency**

Functional Area - 5. Internal Control and Compliance  
(Key Function – 5.5 Anti-Money Laundering / Counter- Financing of Terrorism (AML/CFT) /  
Sanctions)

Title	Assess and monitor controls to manage risks on anti-money laundering / counter-financing of terrorism activities / sanctions
Code	109348L5
Range	Designing different systems to monitor activities within the bank for identifying money laundering, terrorism financing and violation of sanctions activities. The systems cover AML/CFT/Sanctions activities of any kinds and can be applied to different businesses / operations of the bank.
Level	5
Credit	4 (For Reference Only)
Competency	<p>Performance Requirements</p> <p>1. Knowledge in the Subject Area</p> <p>Be able to:</p> <ul style="list-style-type: none"> <li>• Understand the background of AML/CFT/Sanctions and apply the knowledge to evaluate regulations related to their prevention and identify the implications to the bank's activities;</li> <li>• Understand the trend of money laundering, terrorism financing and abuse of sanctions, hence to evaluate common means and risk levels of violation in order to develop suitable controls for the bank.</li> </ul> <p>2. Applications</p> <p>Be able to:</p> <ul style="list-style-type: none"> <li>• Review current controls on AML/CFT/Sanctions in order to identify areas with weak controls and vulnerable to non-compliance behaviours;</li> <li>• Determine key performance indicators and trigger events according to the risk tolerance of the bank in order to monitor risks in money laundering, terrorism financing and violation of sanctions;</li> <li>• Develop a mechanism to identify high risk customers and monitor their transactions;</li> <li>• Develop monitory system to measure and collect information regarding essential indicators as specified in the AML/CFT/Sanctions control framework;</li> <li>• Set up monitory policies to ensure that different activities are conducted in conformity with laws and regulations and services are not provided for transactions which are suspected to be associated with illegal activities;</li> <li>• Evaluate the bank's performance in money laundering, terrorism financing and abuse of sanctions prevention and provide recommendations on improving the monitory system.</li> </ul> <p>3. Professional Behaviour and Attitude</p> <p>Be able to:</p> <ul style="list-style-type: none"> <li>• Determine the degree and frequency of monitoring in accordance with the risks and importance of different processes;</li> <li>• Review operations and activities of the bank in order to detect non-compliance of AML/CFT/Sanctions policies and regulations;</li> <li>• Identify incidents of money laundering and conduct investigation in order to find out the causes for the failures and undertake remedial actions if necessary;</li> <li>• Report any suspicious cases to management and present relevant information to facilitate their decision.</li> </ul>

**Specification of Competency Standards**  
**for the Banking Industry**  
**Unit of Competency**

Functional Area - 5. Internal Control and Compliance  
(Key Function – 5.5 Anti-Money Laundering / Counter- Financing of Terrorism (AML/CFT) /  
Sanctions)

Assessment Criteria	The integral outcome requirements of this UoC are: <ul style="list-style-type: none"><li>• Development of monitory systems to ensure early identification of suspicious activities on money laundering;</li><li>• Monitoring different activities of the bank to identify warning signals at a timely manner based on analysis on information collected from different sources and investigation;</li><li>• Reporting of suspicious cases to management by extracting and presenting relevant information based on analysis on information collected from investigation.</li></ul>
Remark	