

CUCC Conference – “Compliance through Communication” – the AML/CFT Perspective



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AML/CFT Compliance –communication by STR to be supplemented

Communication by mandatory channel – reports of suspicion under Section 42 Criminal Justice (Money Laundering and Terrorist Financing) Act 2010;

Comply with the obligation or commit an offence.



While FIU / STR is still vital – FATF now looking for wider collaboration



Effectiveness



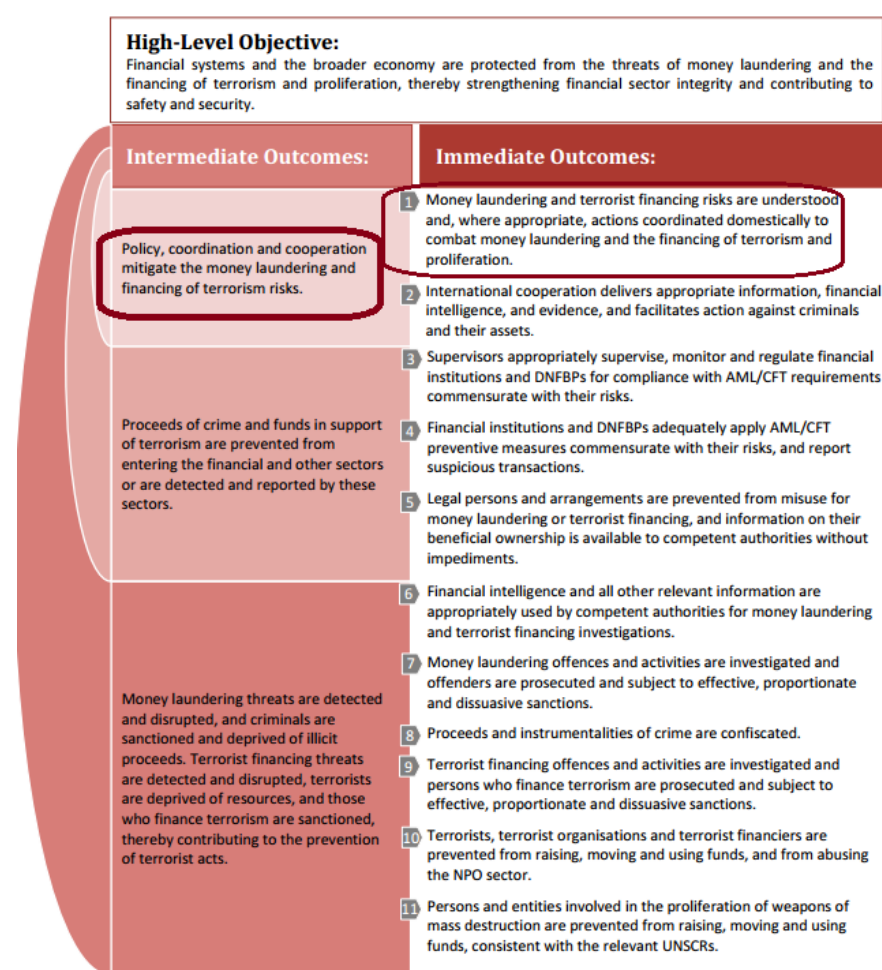
“Very pretty, Colonel, very pretty.

But can they fight?”

How do Irish stakeholders, public and private, actually develop and maintain an understanding of ML / TF risks to the jurisdiction?



What might an effective and risk-responsive AML/CFT regime look like?



[*Link to methodology](#)

Look at IO #1 - To ‘coordinate domestically’ - broader bandwidth for communications between public agencies and private sectors needed. Making suspicious transaction reports is just one element of a coherent AML/CFT system.

The methodology FATF will use to check compliance with international standards will look for many of the things the country aspires to achieving – i.e. joined up, transparent and efficient government.

The country needs to establish a ‘mechanism’ which will allow credit unions and other sectors regulated by the Bank to give wider-angle view.



The country-level risk analysis required by FATF [R.1/2](#) (and IO #1 below).....

Immediate Outcome 1

Money laundering and terrorist financing risks are understood and, where appropriate, actions co-ordinated domestically to combat money laundering and the financing of terrorism and proliferation.

Characteristics of an effective system

A country properly identifies, assesses and understands its money laundering and terrorist financing risks, and co-ordinates domestically to put in place actions to mitigate these risks. This includes the involvement of competent authorities and other relevant authorities; using a wide range of reliable information sources; using the assessment(s) of risks as a basis for developing and prioritising AML/CFT policies and activities; and communicating and implementing those policies and activities in a co-ordinated way across appropriate channels. The relevant competent authorities also co-operate, and co-ordinate policies and activities to combat the financing of proliferation. Over time, this results in substantial mitigation of money laundering and terrorist financing risks.

This outcome relates primarily to Recommendations 1, 2, 33 and 34.



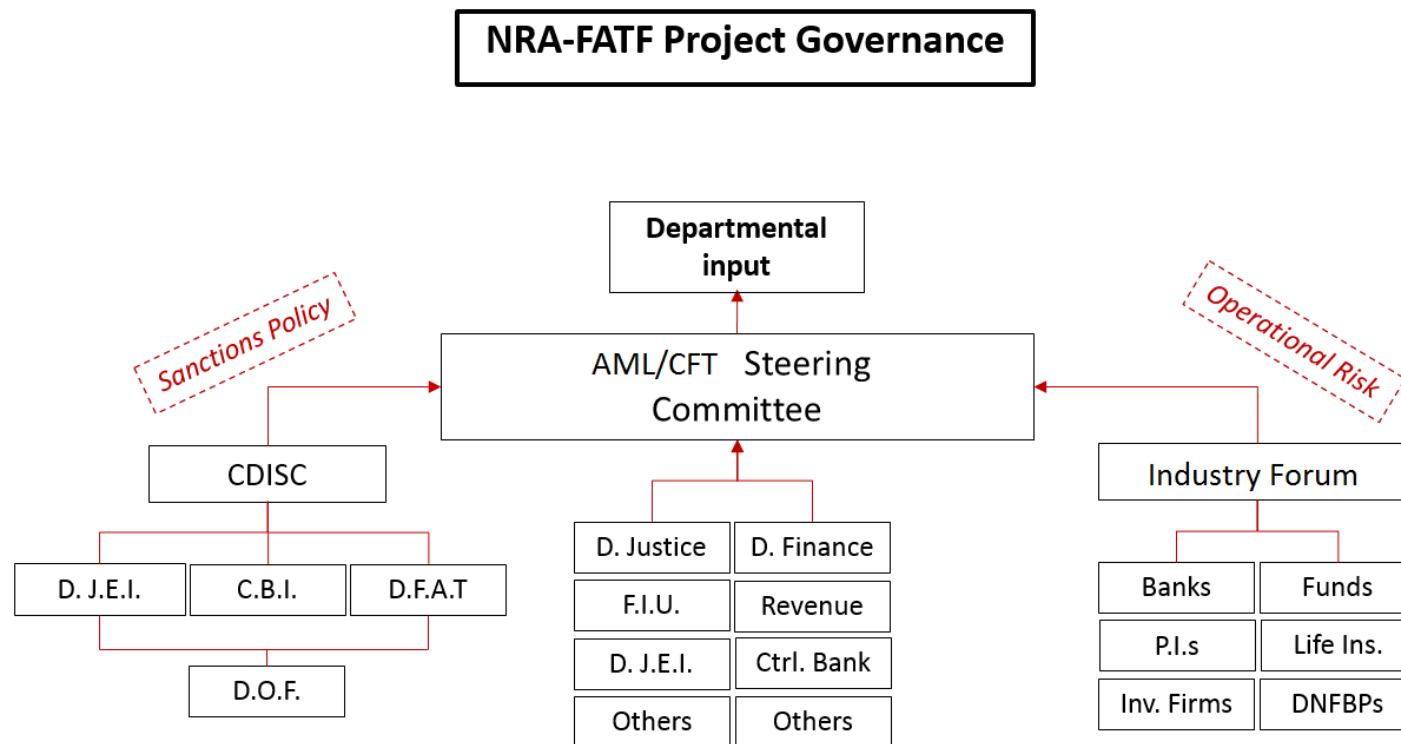
Is 'converted by 4MLD into a 3-tier risk-analysis system;

1. **Article 6** in its entirety which empowers the Commission to conduct 'supranational' risk assessment work
2. Articles **7** and **49** requiring each member state to identify, assess, understand and mitigate the risks of money laundering and terrorist financing affecting it....and to keep that risk assessment up to date, and 'show it' to Commission and other MS;
3. Article **8** which (again) provides for obliged entities' taking a risk based approach to preventing ML and TF;



To comply with R2 – majority of FATF members use special committees

Working Through Committees – Domestic ‘mechanism’ which will assist in complying with FATF R.1, R.2 / R.34





Contributing to the National Risk Assessment

The credit union representative bodies have been issued a questionnaire by the Department of Finance on AML / CFT vulnerabilities within the sector

Your credit union can contribute by completing the online questionnaire before 24th August.

Please refer to the correspondence from ILCU and CUMA for instructions and link to the survey.



For more information please go to:

<http://www.finance.gov.ie>

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