

AML/CTPF officer and their duties 1/4/22



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If a company finds it is governed by the Anti Money Laundering and Counter Terrorism and Proliferation Financing (AML/CTPF) Act, it has two priority steps to take: register as an entity subject to the Act after stating a type of activities governed by the Act, and appoint an officer responsible for ensuring compliance with the Act's requirements under section 10. This appointment must be reported to the relevant supervisory authority such as the State Revenue Service or the Financial and Capital Markets Commission.

The criteria

A person to be appointed as officer in charge must satisfy a number of criteria prescribed by the Act, for instance:

- The person has an excellent reputation.
- The person has not been convicted of a deliberate crime against the State, property or administrative procedures, a deliberate crime in economy or civil service, or a crime involving terrorism, or the person has been convicted of such a crime but the conviction has been removed or cancelled.
- The person has not been subject to disciplinary action (other than a warning) for a breach of AML/CTPF or international and national sanctions legislation, or at least one year has passed since the person was subject to such disciplinary action.
- The person meets other requirements laid down by external regulations (e.g. the officer in charge at a credit institution may be subject to additional criteria).

Section 10.1(2) of the Act allows the company to lay down requirements in addition to these criteria, for instance, AML/CTPF certificates.

The company should have procedures in place for evaluating the person's suitability and checking the accuracy of information. To check the information the person has provided, the company may -

- seek a reference on the person from the Penal Register and if necessary check the accuracy of information;
- set up a self-assessment questionnaire;
- obtain references from previous employers.

Duties and responsibility

The Act does not define the officer's duties in detail but only requires that compliance with the Sanctions Act's requirements be ensured. While the definition of duties is brief and specific, the officer in charge should be aware that this includes a wide range of duties, for instance:

- Managing money laundering and sanctions risks
- Managing terrorism and proliferation risks
- Monitoring transactions

- Reporting transactions and ensuring information exchange with the supervisory authorities, including the Financial Intelligence Unit
- Regularly monitoring the Act and related legislation, including implementing the latest amendments, as well as evaluating the internal control system and related procedures for compliance
- Regularly updating their knowledge of the Act, the Sanctions Act and AML/CTPF requirements for personal data processing laid down by the latest amendments to section 9 of the Act

A key duty is to ensure that employees involved in AML/CTPF-related activities are familiar with the Act's requirements and are regularly trained (the officer in charge may run regular in-house training or engage an external service provider that is competent to train staff in the relevant areas). The regularity of training is key. Changes may be made not only to the Act's requirements but also to the types and nuances of how criminals commit potential money-laundering activities, so the employees concerned must have sufficient expertise to be able to monitor potential risks inherent in this area. And any completed training on topics associated with the Act and AML/CTPF data protection requirements must be documented to ensure the company is able to present certificates to the supervisory authorities, so the employee must be able to present a certificate of completion for each training.

Our experience in recent years suggests that the supervisory authorities penalise not only companies as entities for AML/CTPF breaches but also individuals who are responsible for ensuring compliance with the Act's requirements. The officer in charge may face a warning, removal from their role, a fine for AML/CTPF breaches, and a custodial sentence under [sections 195 and 195.1 of the Criminal Code](#).

To update your knowledge in these areas this year, we invite you to attend [a webinar run by PwC's Academy on March 1](#), where you can gain, improve and update your knowledge of how to –

- prepare for a tax inspection
- devise an internal control system according to the Act
- perform customer identification and due diligence
- meet personal data protection requirements
- identify and report suspicious transactions

After the webinar you will hold a PwC's Academy certificate of completion.