

COMPLIANCE COMMUNIQUÉ

Regulatory Updates & Thought Leadership

REGULATORY UPDATE

Global

Financial Action Task Force (FATF)

The FATF issued a paper titled “Covid-19-Related Money Laundering and Terrorist Financing – Risk and Policy Responses” that can help support the swift and effective implementation of measures to respond to the COVID-19 crisis, while managing new risks and vulnerabilities. This paper provides examples of such responses:

- » Domestic coordination to assess the impact of COVID-19 on AML/CFT risks and systems
- » Strengthened communication with the private sector
- » Encouraging the full use of a risk-based approach to customer due diligence
- » Supporting electronic and digital payment options [more](#)



Europe

Financial Conduct Authority (FCA)

- » The FCA extended the maximum period firms can arrange cover for a senior manager without being approved to 36 weeks from 12 weeks, in a consecutive 12-month period [more](#)
- » The Financial Services Regulatory Initiatives Forum launched the Regulatory Initiatives Grid to help financial firms’ planning [more](#)

Africa

Central Bank of Kenya

- » The Central Bank of Kenya advised chief executives of all Kenyan regulated financial institutions to verify contents of their safe-deposit boxes and review their current policies and procedures to minimize the risk of these services being used for illegal activities, including money laundering [more](#)



ENFORCEMENT ACTION



The European Commission

The European Commission added Panama, the Bahamas, Mauritius, Barbados, Botswana, Cambodia, Ghana, Jamaica, Mongolia, Myanmar, Nicaragua and Zimbabwe to its black list due to their failure in tackling money laundering and terrorism financing [more](#)



The National Crime Agency

The National Crime Agency seized a total of £6.4m of illicit cash held in a city bank account of criminals who falsely claimed to be running a Liberian company called The Albatross Limited [more](#)



U.S. Department of Justice

The United States imposed sanctions on an Iranian-Iraqi businessmen Amir Dianat and Kamran Lajmiri, accusing them of involvement in efforts by Iran's elite Quds Force to generate revenue illegally and smuggle weapons abroad [more](#)



Securities and Futures Commission

- » Hong Kong's Securities and Futures Commission reprimanded and fined Southwest Securities USD645,000 for failure to comply with AML/CFT requirements in 2016 [more](#)
- » The Securities and Futures Commission (SFC) reprimanded and fined Convoy Asset

Management Limited (CAML) \$6.4m for control failures in solicitation and recommendation of bonds to clients [more](#)

- » The SFC reprimanded and fined Southwest Securities (HK) Brokerage Limited \$5m for breaches of anti-money-laundering regulatory requirements [more](#)



Australian Transaction Reports and Analysis Centre

Australian bank Westpac disclosed that as per its internal investigations, there are thousands of potential AML breaches more than the 23 million breaches alleged by AUSTRAC in November 2019 [more](#)



Enforcement Directorate (India)

India's anti-money-laundering agency the Directorate of Enforcement claimed to have preliminary evidence that units of JPMorgan Chase & Co. were involved in crimes generating USD24m in proceeds, raising the stakes in a months-long money-laundering probe [more](#)



Financial Action Task Force (FATF)

The United Arab Emirates was put under a year-long observation by the FATF, as fundamental improvements are required in 10 of 11 areas evaluated for preventing money laundering and the financing of terrorism and weapons of mass destruction [more](#)



Cayman Islands' Monetary Authority

The Cayman Islands' Monetary Authority revoked the banking and trust license of Cayman Islands-based institution Hinduja Bank & Trust (Cayman) Limited for breaching the Banks and Trust Companies Law and Anti-Money Laundering Regulations [more](#)



Securities Enforcement Actions

The SEC charged Ambassador Advisors, LLC and its principals, Bernard Bostwick, Robert Kauffman, and Adrian Young, with breaches arising from their mutual fund share class selection practices [more](#)

» The SEC charged a husband and wife in a multi-million dollar insider trading

scheme [more](#)

» The SEC charged Bloomberg Tradebook LLC for order routing/best execution misrepresentations [more](#)



Commodity Futures Trading Commission (CFTC)

The CFTC charged New York firm Cayley Investment Management, LLC (CIM) for engaging in wash sales and non-competitive transactions [more](#)

ACUITY'S COMPLIANCE INSIGHTS



Impact of the global lockdown – A perspective on investment management and compliance

This crisis has created a unique situation in the financial world – it has not only increased market volatility, but also tested all pillars of governance, as it has all functions, such as liquidity, credit, and risk management.

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Will COVID-19 redefine the AML space?

Surprise or “black-swan” events have a significant impact on economies and financial markets. The COVID-19 outbreak has, in addition, exposed the social fabric through the global lockdowns, resulting in a shift in behaviour that to a large extent impacts the “what” and “how” of financial transactions

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Compliance Best Practices For Working from Home

There is a need now, more than ever, to ensure that a business is fully functional, with minimal to no impact on work. With a large proportion of the workforce being asked to work remotely, there are obvious compliance concerns that crop up.

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HOW ACUITY CAN HELP

As part of our Compliance Services, we provide our clients with skill- and technology-based managed service solutions that address a number of key challenges across the compliance domain. Some of these solutions are listed below:

1. **Investment compliance** - Managing complex tasks such as guideline/restriction coding and monitoring, post-trade monitoring, and trade surveillance
2. **Corporate compliance** - Handling voluminous activities such as e-communication surveillance, personal trade monitoring and marketing literature reviews
3. **Forensic compliance** - Conducting deep-dive reviews and providing data optimization
4. **Financial crimes compliance** - Due diligence review : On-boarding, periodic review and remediation; AML Transaction monitoring: Alert reviews (L1/L2) and regulatory filings (SAR/STR/CTR); AML Data and Analytics - Model validation, Threshold tuning, and Segmentation

ABOUT ACUITY KNOWLEDGE PARTNERS

Acuity Knowledge Partners (Acuity), formerly part of Moody's Corporation, is a leading provider of bespoke research, analytics, staffing and technology solutions to the financial services sector.

Headquartered in London, Acuity has nearly two decades of transformation experience in servicing over 300 clients with a specialist workforce of over 2,500 analysts and delivery experts across its global delivery network. We provide our clients with unique assistance not only to innovate, implement transformation programmes and increase operational efficiency, but also to manage costs and improve top lines. These services are supported by our proprietary suite of Business Excellence and Automation Tools (BEAT) that offers domain-specific contextual technology. Acuity is assisted by Equistone Partners Europe, a leading private equity organisation that backs specialist growth businesses and management teams.

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