



Financial Crime Compliance

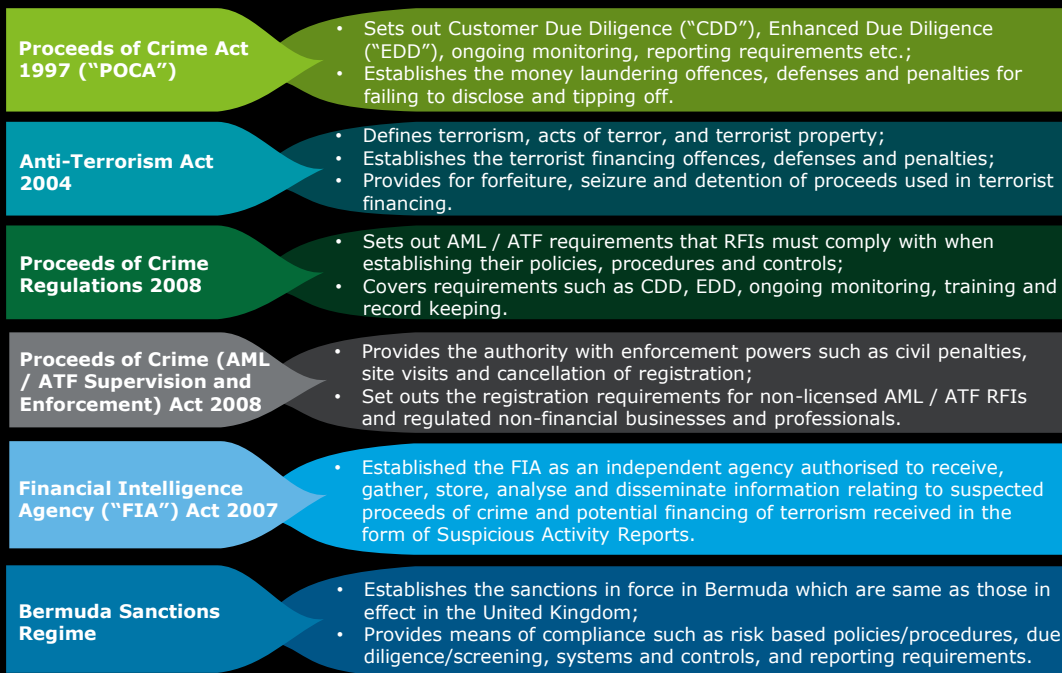
Anti-Money Laundering and
Sanctions Consulting

March 2018

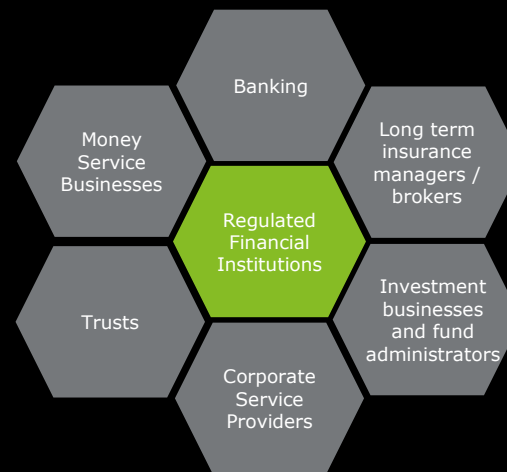
Anti-Money Laundering and Sanctions Consulting

The need for effective Anti-Money Laundering ("AML"), Anti-Terrorist Financing ("ATF") and sanctions compliance systems and controls has never been a hotter topic than it is today and should be at a forefront of any organization's agenda. Recent regulatory changes prevent any organization from being immune to potential reputational and punitive risks should they fail to demonstrate a robust risk-based AML / ATF compliance program. With in-depth experience and a global network composed of industry specialists, we can assist organizations manage their risks related to money laundering and terrorist financing, and improve their ability to meet regulatory expectations.

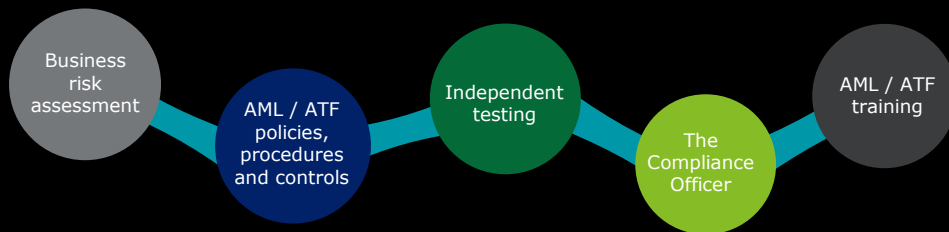
Bermuda AML / ATF Legislation



The Bermuda AML / ATF legislation is transposed into AML / ATF Guidance Notes 2016 issued by the Bermuda Monetary Authority ("BMA"). The following Regulated Financial Institutions ("RFIs") fall within scope of these guidance notes:



What are the key components of an AML / ATF framework?



What are the main obligations under the AML / ATF Guidance Notes 2016?

- Senior Management responsibilities and internal controls
- Risk-based approach
- Customer Due Diligence
- International sanctions
- Ongoing monitoring
- Wire transfers
- Suspicious Activity Reporting
- Employee training
- Record keeping
- Sanctions regime

Anti-Money Laundering and Sanctions Consulting

Service offerings

As Bermuda prepares for its Caribbean Financial Action Task Force mutual evaluation, organizations are facing significant challenges in meeting their AML / ATF obligations. With increased supervision and enforcement by the BMA, it is essential that organizations develop and implement an action plan to address the heightened scrutiny. To assist with this action plan, Deloitte provides the following services:

AML / ATF / Sanctions consulting services



AML program assessments

We assist clients in designing, assessing, and transforming their AML / ATF / Sanctions policies and procedures as per regulatory expectations. Our capabilities include assessing governance and oversight activities, evaluating policies and procedures, testing controls, and evaluating reporting and communication activities. Our focus is in the following sectors:

- Banking
- Long term insurance business
- Investment business
- Corporate Service Providers
- Trust business
- Money Service business
- Non-regulated entities such as reinsurance companies

AML training

We customise training for staff, senior management, and the Board, and help coordinate the goals of the financial institution with their overall training program. We review adequacy of the client's existing training manual to ensure it meets regulatory expectations and industry best practices.

Know Your Client ("KYC") remediation and assessments

We help organisations effectively manage risk and meet regulatory expectations by assisting with all the elements of their global KYC program. Services include:

- KYC remediation
- Provision of quality assurance on KYC remediation performed
- Review of remediation standards to uplift customer files to new regulatory requirements

Independent AML audit

Financial institutions are required by regulators to conduct independent testing of their AML / ATF compliance programs. These tests are also an opportunity to identify and correct deficiencies in existing programs and assist an organization's management team in preparing for regulatory examinations. Services include AML audits under:

- Section 17A of the Proceeds of Crime Regulations 2008
- Section 1.75 of the Guidance Notes for AML / ATF Regulated Financial Institutions

Transaction reviews / lookbacks / investigations

Transaction monitoring is a key component to an institution's line of defense in mitigating transactional exposure risk. We have extensive experience in the areas of:

- Transaction analysis
- Suspicious transaction reviews
- Lookbacks
- Internal investigations

Anti-Money Laundering and Sanctions Consulting

Our success stories

Deloitte's anti-money laundering and sanctions consulting practice has helped resolve money laundering, terrorist financing, and other complex matters related to financial crime around the world. Our global network includes former bank regulators, federal law enforcement officials, compliance officers, and more. We understand the complexities our clients face and offer a breadth of services to help them respond.

Client Type – Banking institution

Scope:

- AML / ATF policy review across 3 jurisdictions (Bermuda, Cayman, Guernsey)
- Review of client information management portal and risk rating tool
- Sample testing of client's KYC files for CDD / EDD accuracy
- Testing of sanctions screening and transaction monitoring systems to comply with the ongoing monitoring requirements

Client Type – Investment fund management/Insurance Linked Strategies (ILS) company

Scope:

- AML / ATF policy and procedures review as per sector specific Guidance Notes issued by Bermuda Monetary Authority
- Sanctions policy review as per Bermuda Sanctions Regime
- Gap analysis of outsourced service provider agreement
- Remediation of the gaps in AML / ATF policy and procedures, and creation of AML / ATF reporting templates

Client Type – Banking institution

Scope:

- Acquisition due diligence, risk assessments of customers with respect to an acquirer's AML Compliance Program
- Assessing complex trust structures and reviewing the risk rating as per acquirer's risk rating methodology
- Making recommendations based on information and documentation gaps based on CDD and EDD requirements

Client Type – Non-Regulated entity (reinsurance company)

Scope:

- AML / ATF policy and procedures review as per local AML / ATF obligations
- Sanctions policy review as per Bermuda Sanctions Regime
- Review of Anti-Bribery and Anti-corruption policies

Client Type – Global investment firm

Scope:

- Transaction monitoring and due diligence of high net-worth customer accounts and transactions involving high risk countries
- Real time analysis of transactions including look back analysis
- Review of client's customers including approval or rejection of a new client, basic and EDD of high risk customers, screening and monitoring of clients for Politically Exposed Persons, and adverse media

Anti-Money Laundering and Sanctions Consulting

Our team

A specialized team focusing on provision of ATM / ATF advisory services has been formed to quickly respond to growing client needs. Our team consists of local and international talent with globally recognized qualifications such as CAMS and AML certifications provided by the International Compliance Association (“ICA”).



Rachelle Frisby

Partner

Financial Advisory

+1 (441) 299 1303

rachelle.frisby@deloitte.com



Aaron Cook

Manager

Financial Advisory

+1 (441) 299 1255

aaron.cook@deloitte.com



Sunny Agarwal

Senior Associate

Financial Advisory

+1 (441) 299 1313

sunny.agarwal@deloitte.com

Rachelle leads the Financial Advisory group in Deloitte’s Bermuda and British Virgin Islands (“BVI”) offices. With over 15 years of experience, she has overseen a wide range of advisory engagements for Bermuda and Caribbean entities. Rachelle provides advice internally within Deloitte Bermuda and BVI and externally to clients to ensure that they comply with Anti-Money Laundering / Anti-Terrorist Financing legislation, including reviews of policies and procedures against regulatory requirements, reviews of customer accounts to test the accuracy of due diligence procedures undertaken, and testing a sample of transaction monitoring and sanctions screening rules. She was part of a Working Group of the Institute of Chartered Accountants of Bermuda, updating Bermuda’s National Risk Assessment on Money Laundering for the National Anti-Money Laundering Committee.

Aaron has over 5 years of public practice experience, specializing in transaction advisory services. His experience includes customer due diligence for transactions in the financial services industry and risk assessment analysis. Prior to joining Deloitte, Aaron worked for a large retail bank in Canada as a Financial Advisor and Branch Compliance Officer. In these roles he was responsible for monitoring and assessing trading activity for the investment advisors and ensuring customer profiles met KYC guidelines. Aaron is a member of the Canadian Institute of Chartered Accountants and the Chartered Professional Accountants of Bermuda.

Sunny has over 7 years of post-qualification experience in the financial services industry. He specializes in AML / ATF, Anti-Bribery and Anti-Corruption consulting, and forensic investigations. He is a Chartered Accountant, a certified CAMS professional, and a Certified Fraud Examiner, and has assisted and led a wide range of AML engagements including transaction lookback analysis, KYC remediation, AML program assessments, AML training manual adequacy, and fraud risk assessments. He is an active member of a dedicated team for a Deloitte internal global AML newsletter, providing periodic updates of industry news, regulatory guidance, enforcement actions and legislative changes, relating to AML and economic and trade sanctions.

Anti-Money Laundering and Sanctions Consulting

Our team

A specialized team focusing on provision of ATM / ATF advisory services has been formed to quickly respond to growing client needs. Our team consists of local and international talent with globally recognized qualifications such as CAMS and AML certifications provided by the International Compliance Association ("ICA").



Michael Wynne
Senior Associate
Financial Advisory
+1 (441) 299 1383
michael.wynne@deloitte.com

Michael has over 2 years of AML compliance experience, 3 years risk advisory experience, and 7 years' active service with the British Royal Marines. He is a professional member of the International Compliance Association ("MICA") and holds the ICA Diploma in Anti-Money Laundering. Michael specializes in AML regulatory consulting, AML auditing and gap analysis. Prior to joining Deloitte Michael worked for a London based financial technology (FinTech) company as well as a Bermuda-based regulatory compliance firm.



Taylor Bean
Associate
Financial Advisory
+1 (441) 298 1192
taylor-ashley.bean@deloitte.com

Taylor has over 2 years of audit and compliance experience in the financial services industry. She has gathered experience in areas of Compliance with a special focus on Anti-Money Laundering and Anti-Terrorist Financing reviews. She has most recently assisted with an AML Compliance Assessment project for one of the Regulated Financial Institutions on the island. Responsibilities included performing level 1 and level 2 reviews on KYC profiles of high- and medium-risk clients as per Bermuda Monetary Authority guidelines; and obtaining a sound understanding of complicated trust and fund structures, drilling down to the ultimate beneficial ownership as required under the AML / ATF Guidance Notes.



Global Strength. Local Delivery.

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee ("DTTL"), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as "Deloitte Global") does not provide services to clients. Please see www.deloitte.com/about to learn more about our global network of member firms. Deloitte Ltd. is an affiliate of DCB Holding Ltd., a member firm of Deloitte Touche Tohmatsu Limited.

Deloitte provides audit, consulting, financial advisory, risk management, tax and related services to public and private clients spanning multiple industries. Deloitte serves four out of five Fortune Global 500® companies through a globally connected network of member firms in more than 150 countries bringing world-class capabilities, insights and high-quality service to address clients' most complex business challenges. To learn more about how Deloitte's approximately 225,000 professionals make an impact that matters, please connect with us on Facebook, LinkedIn or Twitter.

This communication contains general information only, and none of Deloitte Touche Tohmatsu Limited, its member firms, or their related entities (collectively, the "Deloitte network") is, by means of this communication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser. No entity in the Deloitte network shall be responsible for any loss whatsoever sustained by any person who relies on this communication.