

Anti-money laundering and countering the financing of terrorism (AML/CFT) business risk assessment (BRA) and strategy

Introduction

As part of our [planned thematic examination programme for 2022](#), we are reviewing the extent to which supervised persons have undertaken an assessment of their exposure to money laundering (ML) and terrorist financing (TF) risk, and documented a resulting strategy to counter it.

In addition to our scheduled examinations, we are asking a selection of supervised persons to complete a questionnaire (found below) on the theme of the AML/CFT BRA and strategy. We will use the results of the questionnaire within our anonymised feedback published on our website following the thematic examination.

It is recommended that all supervised persons undertake a self-assessment to consider their own arrangements against the regulatory framework.

Where any deficiencies in your systems and controls are identified, you should construct a remediation plan and discuss this with your supervisor.

You should also consider the notification requirements under the code of practice (**AML/CFT CoP**) within section 2.3 of the relevant handbook for the prevention and detection of ML and TF (**Handbook**).

Anti-money laundering and countering the financing of terrorism (AML/CFT) business risk assessment (BRA) and strategy

1 Is there a documented BRA in place?

Yes	<input type="checkbox"/>
No	<input type="checkbox"/>

Additional comments:

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2 Is there a policy and/or procedure in place to enable a copy of the BRA to be provided to us when requested to do so?

Yes	<input type="checkbox"/>
No	<input type="checkbox"/>

Additional comments:

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3 Is there a documented risk appetite in place?

Yes – as part of the BRA and strategy	<input type="checkbox"/>
Yes – as a separate document such as a risk appetite statement	<input type="checkbox"/>
No	<input type="checkbox"/>

Additional comments:

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4 Is there a documented strategy in place, on the basis of the BRA?

Yes	<input type="checkbox"/>
No	<input type="checkbox"/>

Additional comments:

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5 Who has input into the BRA and strategy?

All of the board/senior management	<input type="checkbox"/>
One or some of the board/senior management	<input type="checkbox"/>
Money Laundering Compliance Officer (MLCO)	<input type="checkbox"/>
Money Laundering Reporting Officer (MLRO)	<input type="checkbox"/>
Compliance Officer/compliance function	<input type="checkbox"/>
Risk function	<input type="checkbox"/>
Employees (at all levels)	<input type="checkbox"/>
Other (provide detail in comments)	<input type="checkbox"/>

Additional comments:

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6 Who is responsible for approving the BRA and strategy? (select all that apply)

Board/senior management	<input type="checkbox"/>
Money Laundering Compliance Officer (MLCO)	<input type="checkbox"/>
Money Laundering Reporting Officer (MLRO)	<input type="checkbox"/>
Compliance Officer/compliance function	<input type="checkbox"/>
Risk function	<input type="checkbox"/>
Other (provide detail in comments)	<input type="checkbox"/>

Additional comments:

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7 How often is the BRA scheduled to be reviewed? (select all that apply)

Every month	<input type="checkbox"/>
Every quarter	<input type="checkbox"/>
Every year	<input type="checkbox"/>
Every two years	<input type="checkbox"/>
Every three years	<input type="checkbox"/>
When events (internal or external) occur that may materially change money laundering and terrorist financing risk	<input type="checkbox"/>
Other (provide detail in comments)	<input type="checkbox"/>

Additional comments:

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8 Have any events (internal or external) occurred which materially change the money laundering or terrorist financing risk within the business?

Yes	<input type="checkbox"/>
No	<input type="checkbox"/>

If yes, provide additional information:

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9 When was the BRA and strategy last approved?

Within the last six months	<input type="checkbox"/>
Six months to one year	<input type="checkbox"/>
One year to two years	<input type="checkbox"/>
Two years + (provide detail in comments)	<input type="checkbox"/>

Additional comments:

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10 Is there documentation (such as formal meeting minutes) which evidences the consideration and approval of the BRA and strategy?

Yes	<input type="checkbox"/>
No	<input type="checkbox"/>

Additional comments:

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11 Is there a documented risk assessment methodology in place?

Yes	<input type="checkbox"/>
No	<input type="checkbox"/>

Additional comments:

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12 Does the risk assessment methodology used for the BRA include the following: (select all that apply)

Assessment of the inherent risks relevant to the business	<input type="checkbox"/>
Assessment of the impact of the above risks	<input type="checkbox"/>
Assessment of the likelihood / probability of the above risks	<input type="checkbox"/>
Identification of mitigating factors and controls to manage and reduce the impact of the above risks	<input type="checkbox"/>
Assessment of the residual risk	<input type="checkbox"/>
Consideration as to whether the residual risk is within risk appetite	<input type="checkbox"/>
Assessment of the cumulative risk (which may exceed the sum of each individual risk element)	<input type="checkbox"/>
Other (provide detail in comments)	<input type="checkbox"/>

Additional comments:

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13 What information sources are considered when developing the BRA? (select all that apply)

Relevant Handbook	<input type="checkbox"/>
National or sector-specific risk assessments in relation to money laundering and terrorist financing carried out in respect of Jersey	<input type="checkbox"/>
Publications from international standard setters, such as the Financial Action Task Force sectoral reports and typologies	<input type="checkbox"/>
Information published by the JFSC e.g. examination and questionnaire feedback papers, webinars and public statements	<input type="checkbox"/>
Information published by the Joint Financial Crimes Unit	<input type="checkbox"/>
Court judgements in relation to money laundering and terrorist financing	<input type="checkbox"/>
Relevant data and reporting provided from various business areas	<input type="checkbox"/>
Other (provide detail in comments)	<input type="checkbox"/>

Additional comments:

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14 What factors are considered when determining the exposure to money laundering and terrorist financing risk within the business?

Factor	Yes	No	N/A
Organisational factors that may increase the level of exposure to the risk of money laundering and financing of terrorism, e.g. outsourced aspects of regulated activities or compliance functions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The nature, scale and complexity of the business, the diversity of its operations (including geographical diversity), the volume and size of its transactions, and the degree of risk associated with each area of its operation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Who the customers are and what they do	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Whether any additional risks are posed by the countries and territories with which the customers are connected	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The characteristics of the products and services that are offered and the associated vulnerabilities posed by each product and service	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The risk that is involved in placing reliance on obliged persons to apply identification measures	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
How products and services are established and delivered to customers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The accumulation of risk for more complex customers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other (provide detail in comments)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Additional comments:

15 If the supervised person is part of a group and the BRA and strategy was a group led initiative, does it consider the risks relevant to the Jersey business?

Yes	<input type="checkbox"/>
No	<input type="checkbox"/>
N/A – not part of a group	<input type="checkbox"/>

Additional comments:

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16 Are employees made aware of the risks, controls and conclusions contained within the BRA and strategy?

Yes	<input type="checkbox"/>
No	<input type="checkbox"/>

If yes, detail how they are made aware:

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17 Does the customer base reflect the documented risk appetite?

Yes	<input type="checkbox"/>
No	<input type="checkbox"/>

If no, provide detail including how many customers are considered to be outside of risk appetite and why:

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18 Are there any deficiencies or areas for development self-identified within the BRA and strategy?

Yes	<input type="checkbox"/>
No	<input type="checkbox"/>

If yes, provide details including what measures have been taken to address them.

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19 Have systems and controls been designed and implemented to mitigate the risks identified in the BRA?

Yes	<input type="checkbox"/>
No	<input type="checkbox"/>

Additional comments:

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20 Have systems and controls been assessed, to ensure they are effective in mitigating the risks identified in the BRA?

Yes	<input type="checkbox"/>
No	<input type="checkbox"/>

Additional comments:

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21 Are there any deficiencies or areas for development self-identified within the systems and controls?

Yes	<input type="checkbox"/>
No	<input type="checkbox"/>

If yes, provide details including what measures have been taken to address them.

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22 Does the board/senior management consider what barriers (including cultural barriers) exist to prevent the operation of effective systems and controls?

Yes – no barriers identified	<input type="checkbox"/>
Yes – barriers identified	<input type="checkbox"/>
No	<input type="checkbox"/>

If yes – barriers identified, provide details including what measures have been taken to address them:

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23 Are records of superseded BRAs retained for at least five years?

Yes	<input type="checkbox"/>
No	<input type="checkbox"/>

Additional comments:

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