



Designated non-financial businesses and professions – real estate agents Financial crime training and awareness

In Q2 2024, we conducted a desk-based thematic assessment to evaluate the compliance of all 49 real estate agents in the sector with statutory and regulatory requirements related to anti-money laundering, countering financial terrorism and countering proliferation financing (AML/CFT/CPF) training. This assessment focused on whether agents had incorporated sector specific vulnerabilities into their training programmes. Additionally, we have reviewed the systems and controls in place to assess the effectiveness of the training provided.



Good practice we observed

- ▶ Training provided included information on current money laundering, terrorist financing and proliferation financing (ML/TF/PF) techniques, methods, and trends. The provision of red flag and typologies training was specific to the real estate agent sector and was supplemented with guidance material for employees from JFSC website.
- ▶ A structured programme of training and awareness was provided to employees throughout the year using different learning methods to ensure employee knowledge remained accurate and up to date. This included online modules, face-to-face training, and quizzes to test understanding.
- ▶ Assessments made by senior management teams and employees to identify vulnerabilities and risks connected to money laundering that may impact their firm and the wider real estate agent sector.



Areas of improvement we identified

- ▶ Not all key persons had received regular ML/TF/PF training. The engagement of the board and senior management promotes the importance of training and awareness to other employees in the firm.
- ▶ Failing to undertake or record an assessment of employee training effectiveness, making employees aware of policies and procedures, and enactments in Jersey relating to ML/TF/PF.
- ▶ Failure to track and escalate non-compliance with training policies, or non-attendance at training, which should be undertaken frequently. Policies and procedures should include the process for monitoring non-compliance, ensuring employees are made aware of the consequences of non-compliance and failure to understand training.
- ▶ Assessments made by senior management teams and employees to identify vulnerabilities and risks connected to terrorist financing and proliferation financing were less advanced.



Key considerations

- ▶ Do you consider whether the results of compliance monitoring indicate a specific training need? Do you request feedback from employees on training provided, with a view to enhance the format or content of training to be more effective?
- ▶ When making changes to your policies and procedures, are such changes communicated to your senior management or board, and cascaded to your employees with training provided accordingly?