



(version 2018)

CHECK-LIST

Relating to the internal directives in MLA matter
to be drawn up by the candidate for affiliation to ARIF

The **directives relating to internal controls and organisation in money laundering and terrorist financing matters**, established by the candidates and checked by his auditor, must tend to show that the candidates took note of the obligations imposed by the legislation, and applied them in their businesses so as to ensure the effective respect of it in dimension of the size and the complexity of their structure, as well as nature, volume and diversity of their activities.

These internal directives must clearly contain the following provisions and not consist of simple cross-references to the ARIF regulations :

• Organisation and internal control (= directive 7)

- tasks, responsibilities and the power of the MLA officer
- tasks and objectives of the individuals in contact with client
- tasks and responsibilities of the management

• MLA Register(= directive 8)

- constitution and contents of the register*
- description of the specific section of the MLA officer

• Procedure for entering into a business relationship (= directive 9)

- Allocation of the tasks among the hierarchical levels of the company (note : can be coupled with the point « organisation and internal control »)
- indication/reminder of information to seek out in matter of I) identification of the nature and purpose of the business relationships, II) identification of the persons within the relationships, III) determination of their financial situation and the economic/geographic origin of the values involved in the relationships, IIII) detection of business relationships which require increased vigilance.
- use of an « ad hoc »* form for each relationship

• Verification of the identity of the contracting party (= directive 2)

- principle of the verification and characteristics of cash transactions, currency exchange and money transfer
- informations and documents from natural persons
- informations and documents from legal entities
- informations about the controlling owners of legal entities or partnerships engaged in an operational activity, except if listed on a stock exchange
- form and processing of documents
- failure to verify, break-down of negotiations, duty to report (in case of founded suspicion)

• Identification of the beneficial owner (= directive 3)

- principle and form of the verification, characteristics of domiciliary companies and collective investments, and exceptions
- informations required : natural persons; legal entities; specific cases of trusts/foundations and similar entities (= directive 3b) (*note : according to the activity of the candidate*)
- failure to verify, break-down of negotiations, duty to report (in case of founded suspicion)

• Renewal of verification (= directive 4)

- statement of the circumstances

• Risk-based approach, clarification and increased vigilance (= directive 5)

- establishment of a risk-based approach (criteria ; risks classification ; business relationships with PEP ; vigilance measures and means of clarification)
- identification of the nature and purpose of each business relationship
- definition of business relationship / transactions that require clarifications of their economic background and increased vigilance
- mean and criteria to detect such business relationships
- contents and aim of clarification
- behaviour to adopt and follow-up
- failure to verify, possible need to report

• Communication of well-founded suspicions, freeze the assets, secrecy (= directive 13)

- verification and happening of well-founded suspicions of money laundering or terrorist financing (even during precontractual negotiations)
- reporting procedure, form, deadlines
- freeze the asset (according to the circumstances)
- maintenance of the secrecy, reach, duration, attitude towards third parties and ARIF
- fate to give to the relationship in question

• Delegation of the duties of diligence (= directive 10)

- between financial intermediaries
- to auxiliaries

• Documents retention (= directive 6)

- type of documents to keep
- aim of the conservation, form, duration, place

• Training (= directive 11)

- persons subject to the training obligation
- aim of training
- constitution and wording of the knowledge to be acquired

* * * * *

* Examples provided by ARIF on its website : <http://www.arif.ch/Documents>