

The logo of the Eswatini Financial Intelligence Unit (EFIU) is a circular emblem. It features a central globe with a blue and green color scheme, flanked by two stylized human figures. Below the globe are three green stars. The acronym 'EFIU' is positioned at the top of the circle, and the full name 'ESWATINI FINANCIAL INTELLIGENCE UNIT' is written around the bottom. The logo is rendered in a light grey, semi-transparent style.

**AML /CFT Training
Compliance Risk Management Programme**

Compliance Risk Management Programme

- Governance and Oversight;
- Risk Assessment and the Risk Based Approach;
- Customer Due Diligence;
- Screening and Training;
- Record Keeping;
- Suspicious Transactions Monitoring; and
- Targeted Financial Sanctions



Governance and Oversight

- Board takes ultimate responsibility of compliance risk management programme;
- It include the role & responsibilities of **governance structures** & oversight functions of Compliance Officer, compliance function, board of directors, senior management
- Creation of **AML Compliance Function and appointment of AMLCO**;
- The different lines of Defense and their responsibilities; 1st , 2nd and 3rd Lines of Defense;
- First Line – Operations (Mobile Money, Customer Facing staff, Sales & Distribution)
- Second Line – Risk & Compliance, AML Unit
- Third Line – IAFS, External Auditors (Independent Assessment of the AML/CFT Programme)
- **Development and Approval of AML Policy** and other AML Procedures (**Risk Based Approach for the Entity**)
- **Compliance Monitoring planning, execution and reporting.**
- Requirement to report all AML/CFT Breaches to the Board

Risk Assessment and Risk Based Approach

- Regulation requires all accountable institutions to adopt a risk-based approach in managing ML/ TF risks
- Risk Identification, Risk Evaluation, Risk Control and Reporting
- **There is need to document and approve the Entity's Risk based Approach to AML/CFT.**

AML Risk Factors

- **Geographic Risk Factors** – Geographic locations where you conduct your business and where you clients reside
- **Product / Service Risk Factors** - Characteristics of the products / services offered by the Business. Risk assessments in the development of new products and services.
- **Delivery Channel Risk Factors** – face to face or non face to interactions as you conduct your business
- **Customer Risk Factors** – High risk clients such as PEPs, their close associates, and their family members
 - Customer Risk Profiling

Customer Due Diligence

Due Diligence Process (KYC)

- ▶ **Gather Client Documentation** – Identify Documents (ID or Passport for Non-Swazi Clients)
- ▶ **Verify Client Information** – From Independent Sources
- ▶ Conduct Sanctions Screening
- ▶ Enforce Adequate Record Retention Policies
- ▶ Notify Client on application – Approval or decline application

Levels Customer Due Diligence

- ▶ Simplified CDD – Low Risk Subscribers
- ▶ Standard CDD – Medium Risk Subscribers
- ▶ Enhanced CDD – High Risk Subscribers – Management Approval
- ▶ Continuous/ Ongoing CDD – The entire business relationship

There is need for all Accountable Institutions to document Customer Due diligence Procedure



Employee Screening and Training

- ▶ **Need to develop and approve Know Your Employee / Staff Screening Procedure and Training Procedure**
- ▶ Development and Implementation of Know Your Employee (KYE) Policy;
 - At on-boarding – At recruitment stage to avoid recruiting staff with previous fraud and AML issues
 - Continuously – Regular basis
- ▶ Staff should be trained on AML/CFT at on-boarding and on a regulator basis.
- ▶ Provision of role-based AML/ CFT training to staff. Staff groups may include
 - Operations Staff
 - Sales Staff;
 - Customers Facing Staff
 - Assurance Staff Training;
 - Board AML Training

Record Keeping

- **Need to document and approve Record keeping procedure**
- An accountable institutions shall keep the records for:
 - not less than five (5) years after the date on which a relationship is terminated in case of a business relationship; and
 - not less than five (5) years after the date a transaction is concluded.
- These records include customer KYC documents ,transactions data, copies suspicious transactions reports, correspondences from Regulators
- These records assist law enforcement Agencies as they investigation money laundering cases.
- If law enforcement require these records, Institutions have to retrieve these records within 48 hours.

Suspicious Transactions Monitoring and Reporting

- **Need to document and approve a Transactions Monitoring and Reporting Procedure**
- Transactions are to be monitored daily to identify suspicious transactions / activity in platform
- Automated / Manual Monitoring
- All confirmed suspicions are reported to Eswatini Financial Intelligence Unit by AMLCO
- All staff members are required to also report suspicions transactions / activity
- Reporting should be done within 48 hours after forming suspicion
- No Tipping
- Reporting should be done confidentially and in good faith

Targeted Financial Sanctions

- ▶ **Need to document and approve a sanctions Procedure**
- ▶ Terrorist groups and Individuals are known, and a list is maintained; Al Qaeda, Boko Haram
- ▶ OFAC, UN, EU Sanction lists. These list are regularly reviewed
- ▶ All Customers should be screened against sanctions list at on-boarding and on a regular basis;
- ▶ Matched Entities and individuals are to be reported to both EFIU and CBE timeously.





Thank you for your Attention