
Graduate Certificate in Know Your Customer and Anti-Money Laundering Compliance

Transaction Monitoring And Reporting

AEOI stands for Automatic Exchange of Information, a global initiative that enables countries to share financial information to combat tax evasion and money laundering. AEOI is related to terms such as Common Reporting Standard and Foreign Account Tax Compliance Act. It involves the exchange of financial account information between countries to ensure tax compliance and prevent cross-border tax evasion. For instance, a financial institution in one country may be required to report the financial account information of a non-resident individual to the tax authority of that individual's country of residence.

AML stands for Anti-Money Laundering, a set of regulations and procedures designed to prevent and detect money laundering activities. AML is related to terms such as Know Your Customer, Combating the Financing of Terrorism, and Financial Action Task Force. It involves a range of measures, including customer due diligence, transaction monitoring, and reporting suspicious activities to the relevant authorities. For example, a bank may be required to conduct AML checks on a customer before opening a new account or conducting a large transaction.

Beneficial Owner refers to the individual or entity that ultimately owns or controls a company or asset. Beneficial Owner is related to terms such as Ultimate Beneficial Owner and Customer Due Diligence. It is an important concept in AML and KYC, as it helps to identify the true owner of a company or asset and prevent money laundering and other financial crimes. For instance, a company may have a complex ownership structure, but the beneficial owner is the individual who ultimately controls the company and benefits from its activities.

CDD stands for Customer Due Diligence, a process of verifying the identity and legitimacy of a customer. CDD is related to terms such as Know Your Customer and Anti-Money Laundering. It involves a range of measures, including collecting and verifying customer information, conducting risk assessments, and monitoring customer activity. For example, a bank may be required to conduct CDD on a new customer before opening a new account or conducting a large transaction.

CFIUS stands for Committee on Foreign Investment in the United States, a government agency that reviews foreign investments in the United States for national security implications. CFIUS is related to terms such as Foreign Investment and National Security. It involves a range of measures, including reviewing foreign investments, conducting risk assessments, and imposing conditions on foreign investments. For instance, a foreign company may be required to notify CFIUS before acquiring a US company, and CFIUS may review the transaction to ensure it does not pose a national security risk.

CFT stands for Combating the Financing of Terrorism, a set of regulations and procedures designed to prevent and detect the financing of terrorism. CFT is related to terms such as Anti-Money Laundering and Financial Action Task Force. It involves a range of measures, including identifying and reporting suspicious transactions, conducting risk assessments, and imposing sanctions on individuals and entities involved in terrorism. For example, a bank may be required to conduct CFT checks on a customer before opening a new

account or conducting a large transaction.

Customer Risk Assessment refers to the process of evaluating the risk posed by a customer. Customer Risk Assessment is related to terms such as Customer Due Diligence and Anti-Money Laundering. It involves a range of measures, including collecting and verifying customer information, conducting risk assessments, and monitoring customer activity. For instance, a bank may be required to conduct a customer risk assessment on a new customer before opening a new account or conducting a large transaction.

EDD stands for Enhanced Due Diligence, a higher level of due diligence required for high-risk customers. EDD is related to terms such as Customer Due Diligence and Anti-Money Laundering. It involves a range of measures, including collecting and verifying additional customer information, conducting more frequent risk assessments, and monitoring customer activity more closely. For example, a bank may be required to conduct EDD on a customer who is a politically exposed person or who has a history of suspicious activity.

FATF stands for Financial Action Task Force, an intergovernmental organization that sets global standards for anti-money laundering and combating the financing of terrorism. FATF is related to terms such as Anti-Money Laundering and Combating the Financing of Terrorism. It involves a range of measures, including setting standards, conducting risk assessments, and imposing sanctions on countries that do not comply with its standards. For instance, FATF may impose sanctions on a country that does not have adequate AML and CFT regulations in place.

FCPA stands for Foreign Corrupt Practices Act, a US law that prohibits US companies from bribing foreign officials. FCPA is related to terms such as Anti-Corruption and Bribery. It involves a range of measures, including prohibiting bribery, conducting risk assessments, and imposing penalties on companies that violate the law. For example, a US company may be required to conduct FCPA checks on its employees and agents to ensure they are not bribing foreign officials.

Financial Inclusion refers to the process of increasing access to financial services for underserved populations. Financial Inclusion is related to terms such as Financial Literacy and Microfinance. It involves a range of measures, including providing financial education, offering microfinance products, and increasing access to financial services. For instance, a bank may offer microfinance products to low-income individuals or provide financial education to underserved communities.

FINCEN stands for Financial Crimes Enforcement Network, a US government agency that combats financial crimes. FINCEN is related to terms such as Anti-Money Laundering and Combating the Financing of Terrorism. It involves a range of measures, including collecting and analyzing financial data, conducting risk assessments, and imposing sanctions on individuals and entities involved in financial crimes. For example, FINCEN may require financial institutions to report suspicious transactions to the agency.

Fintech stands for Financial Technology, a sector that provides financial services through technology. Fintech is related to terms such as Digital Payments and Mobile Banking. It involves a range of measures, including providing digital payment services, offering mobile banking products, and increasing access to financial services. For instance, a fintech company may offer digital payment services to consumers or provide mobile banking products to underserved communities.

GATCA stands for Global Account Tax Compliance Act, a global initiative that requires financial institutions to report financial account information to tax authorities. GATCA is related to terms such as Foreign Account Tax Compliance Act and Automatic Exchange of Information. It involves a range of measures, including reporting financial account information, conducting risk assessments, and imposing penalties on financial institutions that do not comply with the law. For example, a financial institution may be required to report financial account information to the tax authority of a customer's country of residence.

ICA stands for International Compliance Association, a global organization that promotes compliance and regulatory standards. ICA is related to terms such as Anti-Money Laundering and Combating the Financing of Terrorism. It involves a range of measures, including setting standards, conducting risk assessments, and providing training and education to compliance professionals. For instance, ICA may provide training and education to compliance professionals on AML and CFT regulations.

KYC stands for Know Your Customer, a process of verifying the identity and legitimacy of a customer. KYC is related to terms such as Customer Due Diligence and Anti-Money Laundering. It involves a range of measures, including collecting and verifying customer information, conducting risk assessments, and monitoring customer activity. For example, a bank may be required to conduct KYC checks on a new customer before opening a new account or conducting a large transaction.

MLRO stands for Money Laundering Reporting Officer, a person responsible for reporting suspicious transactions to the relevant authorities. MLRO is related to terms such as Anti-Money Laundering and Combating the Financing of Terrorism. It involves a range of measures, including identifying and reporting suspicious transactions, conducting risk assessments, and imposing sanctions on individuals and entities involved in money laundering. For instance, a bank may be required to appoint an MLRO to report suspicious transactions to the relevant authorities.

NFA stands for National Futures Association, a US organization that regulates the futures industry. NFA is related to terms such as Futures Trading and Derivatives. It involves a range of measures, including setting standards, conducting risk assessments, and imposing penalties on companies that violate the law. For example, NFA may require futures traders to register with the organization and comply with its standards.

OFAC stands for Office of Foreign Assets Control, a US government agency that administers economic sanctions. OFAC is related to terms such as Sanctions and Embargo. It involves a range of measures, including imposing sanctions on individuals and entities, conducting risk assessments, and providing guidance to companies on compliance with sanctions regulations. For instance, OFAC may impose sanctions on a country or individual, and companies may be required to comply with those sanctions.

PEP stands for Politically Exposed Person, an individual who holds a prominent public position. PEP is related to terms such as Anti-Money Laundering and Combating the Financing of Terrorism. It involves a range of measures, including conducting enhanced due diligence, monitoring customer activity, and reporting suspicious transactions to the relevant authorities. For example, a bank may be required to conduct enhanced due diligence on a PEP customer to ensure they are not involved in money laundering or other financial crimes.

Regulatory Compliance refers to the process of complying with regulatory requirements. Regulatory Compliance is related to terms such as Anti-Money Laundering and Combating the Financing of Terrorism. It involves a range of measures, including setting standards, conducting risk assessments, and imposing penalties on companies that violate the law. For instance, a company may be required to comply with AML and CFT regulations, and may face penalties if it does not comply.

Risk-Based Approach refers to the process of assessing risk and applying controls accordingly. Risk-Based Approach is related to terms such as Anti-Money Laundering and Combating the Financing of Terrorism. It involves a range of measures, including conducting risk assessments, applying controls, and monitoring customer activity. For example, a bank may be required to conduct a risk assessment on a customer and apply controls accordingly, such as conducting enhanced due diligence or monitoring customer activity more closely.

SAR stands for Suspicious Activity Report, a report filed by a financial institution to report suspicious transactions. SAR is related to terms such as Anti-Money Laundering and Combating the Financing of Terrorism. It involves a range of measures, including identifying and reporting suspicious transactions, conducting risk assessments, and imposing sanctions on individuals and entities involved in money laundering. For instance, a bank may be required to file a SAR with the relevant authorities if it suspects a customer is involved in money laundering or other financial crimes.

Tax Evasion refers to the process of evading tax payments. Tax Evasion is related to terms such as Anti-Money Laundering and Combating the Financing of Terrorism. It involves a range of measures, including conducting risk assessments, reporting suspicious transactions, and imposing penalties on individuals and entities involved in tax evasion. For example, a financial institution may be required to report suspicious transactions to the relevant authorities if it suspects a customer is involved in tax evasion.

Transaction Monitoring refers to the process of monitoring customer transactions to detect suspicious activity. Transaction Monitoring is related to terms such as Anti-Money Laundering and Combating the Financing of Terrorism. It involves a range of measures, including conducting risk assessments, applying controls, and reporting suspicious transactions to the relevant authorities. For instance, a bank may be required to monitor customer transactions to detect suspicious activity, such as large or unusual transactions.

UBO stands for Ultimate Beneficial Owner, the individual or entity that ultimately owns or controls a company or asset. UBO is related to terms such as Beneficial Owner and Customer Due Diligence. It involves a range of measures, including conducting due diligence, verifying customer information, and monitoring customer activity. For example, a company may be required to identify its UBO and conduct due diligence on that individual or entity to ensure they are not involved in money laundering or other financial crimes.

USA PATRIOT Act stands for Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act, a US law that prohibits terrorism financing. USA PATRIOT Act is related to terms such as Anti-Money Laundering and Combating the Financing of Terrorism. It involves a range of measures, including conducting risk assessments, reporting suspicious transactions, and imposing penalties on individuals and entities involved in terrorism financing. For instance, a financial institution may be

required to comply with the USA PATRIOT Act and report suspicious transactions to the relevant authorities.

Wolfsberg Group is a global association of banks that promotes AML and CFT standards. Wolfsberg Group is related to terms such as Anti-Money Laundering and Combating the Financing of Terrorism. It involves a range of measures, including setting standards, conducting risk assessments, and providing guidance to banks on compliance with AML and CFT regulations. For example, the Wolfsberg Group may provide guidance to banks on how to comply with AML and CFT regulations, such as conducting customer due diligence and monitoring customer activity.

Y2K stands for Year 2000, a global initiative that addressed the millennium bug. Y2K is related to terms such as Technology and Computer Systems. It involves a range of measures, including conducting risk assessments, applying controls, and monitoring systems to ensure they are Y2K compliant. For instance, a company may have been required to ensure its computer systems were Y2K compliant to prevent disruptions to its operations.