

Relatiedag FIU-NL
Sint Maarten
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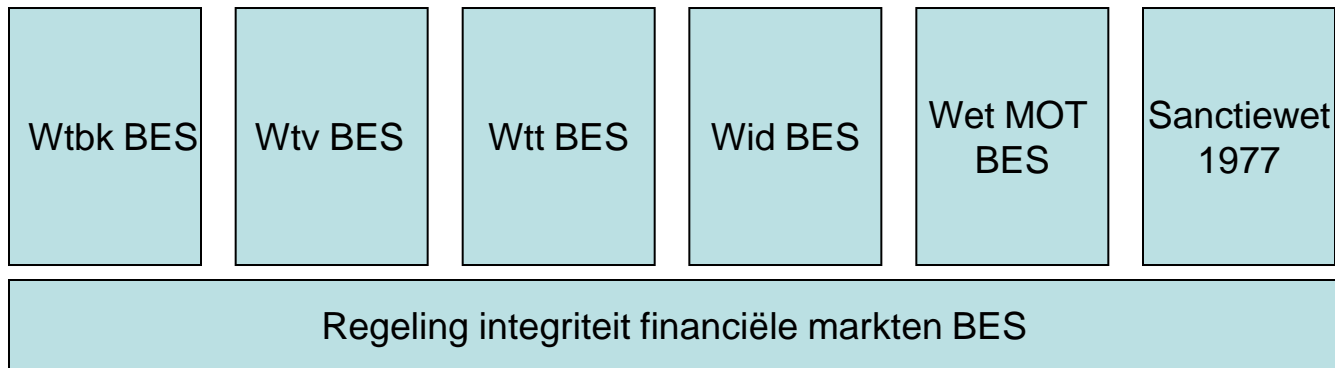
Supervision reporting requirements

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Inhoud

- DNB – BES supervision on proper conduct of business ('integrity supervision')
- Prevention of money laundering & TF part of proper conduct of business
- CDD and reporting of UT's
- Integrity audits DNB

Integriteittoezicht DNB

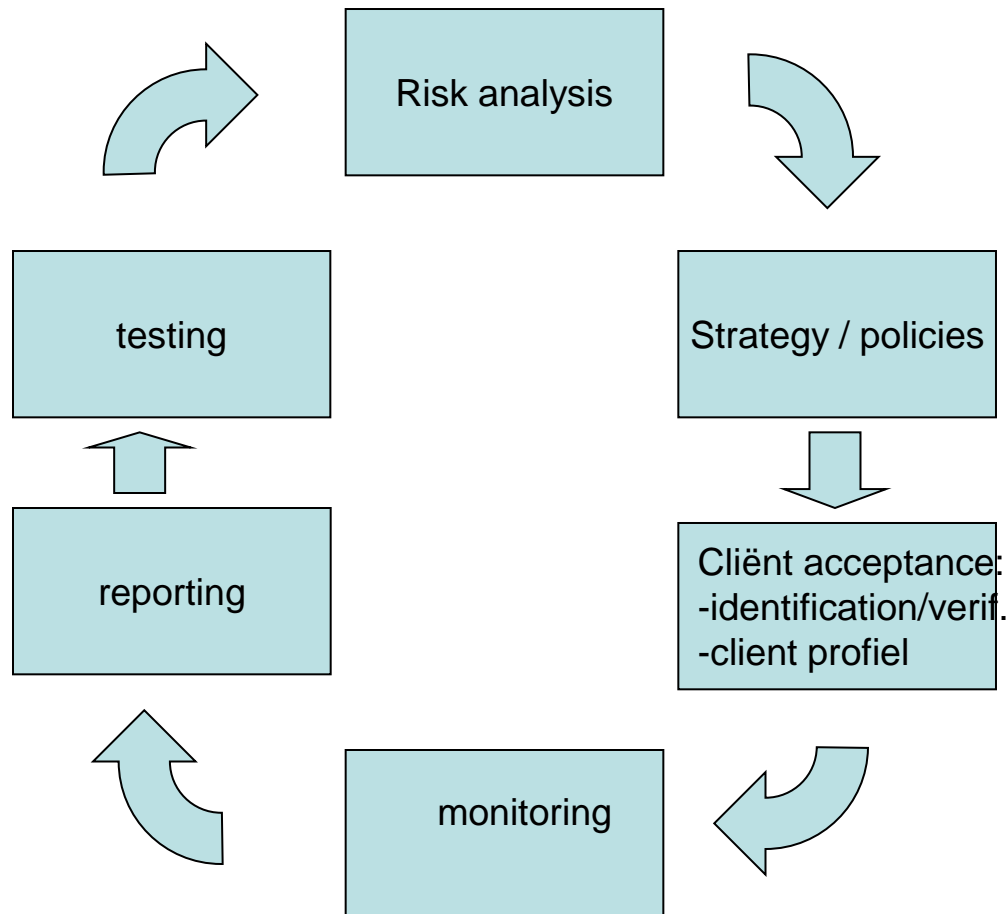


- proper conduct of business, based on a systematic analysis of integrity risks
- recorded in policy documents
- procedures and measures regarding client acceptance
- procedures and measures implementing Wid BES, Wet MOT BES (Wwft BES) and Sanctiewet (Sanctions Act)
- systematic testing of policy, procedures and measures

Integrity risks:

- money laundering
- terrorist financing
- conflict of interest
- corruption
- fraud
- et cetera

Preventing ML/TF: interactive system



Reporting demands a proper customer due diligence

- Insight in the risks connected with the provided services and products?
- These insights should be translated to policies, procedures and measures (known by staff) regarding:
 - client acceptance (incl. compliance with Wid BES)
 - ongoing monitoring of clients
 - reporting of UT's / freezing of funds

- Ongoing monitoring of the business relationship and transactions, to ensure that transactions are consistent with knowledge of customer, the business relationship and risk profile, including source of funds
- Monitoring-procedures:
 - responsibilities of departments and staff members
 - process regarding indicators for monitoring of accounts
 - internal reporting of UT's en
 - reporting to the FIU

Transaction monitoring system: some indicators

- Comparison with profiles (activities, transfers etc.)
- Transactions above certain threshold (not only objective indicators)
- Transactions based on typologies
- Transactions re higher risk jurisdictions

Enhanced monitoring re high risk categories

- PEP's
- Private banking
- non face to face customer identification

Focus in 'integrity' audits

- Compliance organization and audit
- Policies regarding 'integrity'
 - interviews management board, staff functions
 - strategic and policy documents
- Structure and existence of procedures and measures re proper conduct of business (mitigating 'integrity risks')
 - focus on procedures and measures (handbooks, processes, interviews), including MOT-procedures and measures.
 - controls: do mitigating measures work as described?
- Effectiveness of these procedures and measures
 - controls on effectiveness in practice, focus on specific data (client-/transaction files, reporting of UT's within the organization and to the FIU, registration of incidents, management information and internal audit reports)

'Integrity' audits

Off-site: requesting information regarding activities and circumstances to perform risk analysis by DNB on sectors and financial institutions. Basis for regular or thematic audits.

Regular 'integrity' audit / thematic audit:

- purpose: getting an up to date insight in integrity risk management and mitigation
- themes: money laundering and real estate, trade financing in relation to Iran (sanctions), CDD private banking, position and role of compliance

Special 'integrity' audit:

- Specific purpose, more forensic character
- Based on specific signals (from a regular audit or signals from 3rd parties)
- Possible breaches of Penal Code

QUESTIONS?

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