

TIP OF THE MONTH

Employee Screening & Training

Financial Intelligence and Anti-Money Laundering Regulations (FIAMLR) 2018, Regulations 22(1)(b) and 22(1)(c), require a reporting person to implement employee screening procedures and ongoing training programme for its directors, officers and employees.

WHY SCREEN & TRAIN EMPLOYEES?

- Appropriately screened **employees** who are **alert** to the potential risks of Money Laundering (ML) and Terrorism Financing (TF) and who are **well trained** with respect to the Customer Due Diligence (CDD) requirements and the identification of unusual activity, which may prove to be suspicious, play a **key role in the prevention and detection of financial crime**.

WHAT IS EMPLOYEE SCREENING?

- Regulations 22(1)(b) requires maintaining **high standards** when hiring employees. The following measures, amongst others, ensure that employees are of the **required standard of competence**, depending on the role of the employee, prior to, or at the time of, recruitment:
 - obtaining and confirming:
 - details of employment history, qualifications and professional memberships;
 - appropriate references of employee;
 - details of any regulatory action or action by a professional body taken against the prospective employee;
 - details of any criminal convictions, including the provision of a check of the prospective employee's criminal record (for e.g., character certificate); and
 - screening the employees against the UN's list of designated persons under terrorist and proliferation financing targeted financial sanctions (the Consolidated UN Sanctions List).
- The reporting persons should also carry out ongoing screening of its employees against the Consolidated UN Sanctions List.

WHO SHOULD BE TRAINED?

- The guiding principle of all AML&CFT training is to encourage directors, officers and employees, **irrespective of their level of seniority**, to understand and accept their individual responsibility in contributing to the protection of the business against the risks of ML and TF.
- As such **all relevant officers** must receive ongoing training that is tailored to their role and responsibilities within the business. These include but is not limited to Directors, the MLRO, the Compliance Officer, Sales & Marketing officers, Business Development officers and accounting officers.

WHAT SHOULD BASIC AML/CFT TRAINING COVER?

It should include, but is not limited to the following:

- the business AML/CFT policies, guidelines, procedures and controls manual;
- all applicable legislative requirements (the FIAMLA, FIAMLR, UN Sanctions Act 2019, Guidelines);
- appropriate training to enable them to competently analyse information and documentation, so as to enable them to form an opinion on whether the transactions and actions may be linked to ML or TF;
- the procedures to be followed if any links to ML or TF have been identified; and
- implications and sanctions of non-compliance for the employees and the business.

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Employee Screening & Training (Continued)

TIMING OF EMPLOYEE TRAINING?

- On joining the business - appropriate level of **AML/CFT induction training**, or a written explanation, is recommended to all new employees, board members and senior management, before they become actively involved in operations (it could be a requirement to the successful completion of an employee’s probation period).
- **Refresher AML/CFT training** to all employees **at least once every year**.
- If new legislation or significant legislative **changes are introduced**, or where there have been significant technological developments within the business/sector or with the introduction of new products, services or practices or updates in the AML/CFT policy & procedures of the business.

METHODS OF TRAINING THAT CAN BE USED

- Training mode **can vary and be a combination** of on-the job trainings, workshops, webinars, videos, e-learning modules, or website uploads such as this Tip of the Month, amongst others. This will depend upon the size, nature and complexity of the business.
- It is important that **effectiveness of the trainings is assessed** regularly through on-the job performance, monitoring, feedback/evaluation forms or even through regular **knowledge tests** of employees. Records of same should be kept.
- The FIU has, amongst other outreach activities, conducted workshops and webinars as well as produced & uploaded a number of educational materials on its [website](#) which every reporting persons can use to better understand their obligations as well as improve on their implementation of AML & CFT controls to deter use of their business for ML & TF purposes. These include the following:

- Video Presentations on legal obligations of reporting persons under the FIAMLA, FIAMLR and UN Sanctions Act 2019
- Video Tutorials on filing of STRs (available on the goAML platform)
- Presentation uploads (for e.g [How to conduct UN Sanction List Screening](#))
- Tip of the Months on specific themes
- Quarterly newsletter
- Information Bulletin on goAML Platform

RECORDS TO KEEP

- Reporting persons have the legal obligation to maintain **records for at least 7 years** and these include records of employee screening and AML/CFT trainings.
- Employee screening records should include the following amongst others:
 - Proof of Identity and address of employee;
 - the details of employment history & qualifications;
 - references obtained; and
 - the UN Sanctions screening of the employee.
- AML/CFT trainings records would include the following amongst others:
 - the dates of the trainings;
 - the nature of the training, including its content, facilitator and mode of delivery; and
 - the names of the officers who received the training.

One example of a **Training register** that could easily capture some of the required records is produced below and can be used and further tailored by reporting persons:

Training Register						
Date of Training	Medium of Training (webinar, workshop, email)	Training Content/ Topic/Title	Training Provider	Officers who benefitted	Certificate Provided? (Yes/No/N/a)	Training Materials Available (Yes/No)