



# Maintain high standards

Anti-money laundering and terrorist financing risks

Reaction | Resilience | Recovery | New Reality  
COVID-19

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# Anti-money laundering and terrorist financing risks



## Why AML/CTF programs are required to adapt to the Corona situation?

- We see that criminals and terrorists aim to make use of gaps and weaknesses in anti-money laundering and counter terrorist financing (AML/CTF) programmes caused by working from home and changes in delivery priorities.
- The crisis is being misused by criminals in the form of fraudulent web shops or apps and trade in (fake) medical apparatus. Financial institutions have an important role in identifying related unusual transactions and client activity.
- Client transaction behavior changes due to the crisis and requires re-tuning to reduce false positive alerts in the transaction monitoring process.



## Key challenges faced

- ✗ The risk of non-face to face identification due to digital on-boarding.
- ✗ Increased activities of non-profit organisations in countries with a higher risk of money laundering or terrorist financing.
- ✗ Controls may be weakened by disjointed processes and remote handovers.
- ✗ Businesses that are suffering from the crisis are misused for money laundering.
- ✗ New (emerging) risks are not timely and adequately identified, assessed and, where necessary, mitigated.



## How to respond

- ✓ Design and implement controls with respect to on-boarding in the time of social distancing.
- ✓ Communicate clear compliance processes which enable employees that work from home comply with the requirements.
- ✓ Stay focused on ongoing client monitoring to identify unusual activity. Examples of unusual activity can be found in businesses in sectors badly affected by the crisis that have unexpected large amounts of money coming in, or new businesses suddenly being set up with the objective to defraud the government.
- ✓ Update your AML/CTF risk assessment taking into account new (emerging) risks.

# How we can help

## Review of AML/CTF policies, procedures and processes

We have successfully supported multiple clients with reviews and enhancements of their AML/CTF policies, procedures and processes against local and global regulatory requirements.

## Transaction monitoring implementation

We have a lot of experience with assessing and implementing transaction monitoring models and threshold tuning. We can leverage this in order to incorporate or perform tuning on specific scenarios for money laundering risks related to the coronavirus.

## Re-evaluate the information in your KYC records

We have deep domain knowledge in regulatory compliance and KYC/CDD operations, and can deploy our AML/CTF professionals in your operations.

## Review of risk assessment and related controls

We can leverage our experience with risk assessments and related controls to incorporate emerging risks of the current crisis.



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