AGENDA

TRAINING PROGRAM ON RISK BASED APPROACH TO SUPERVISING FINANCIAL INSTITUTIONS ON AML / CFT AND FINANCIAL INCLUSION

JUNE 22-24, 2020

Program Funded By:
THE PROGRAM

PROGRAM DESCRIPTION
A 3-day program which aims to enhance supervisory skills in combatting anti-money laundering and financing of terrorism and covers the latest FATF Standards which include amongst other things, national risk assessment, the assessment on effectiveness implementation and the importance of reconciling financial inclusion with effective, risk based AML/CFT defences.

PROGRAM OBJECTIVES
This program is designed to enhance participants’ understanding and gain a practical perspective on the Risk Based Approach (RBA) to supervisory activities relating to AML/CFT. During this program we explain and discuss key principles, best practices and most recent guidance produced by the Financial Action Task Force (FATF), while discussing its applicability through real life case examples and case studies. We aim at helping regulators and supervisors in Zambia to apply these guidelines in their daily supervisory activities and tackle common implementation challenges.

WHO SHOULD ATTEND?
The program is designed for middle level and experienced officials involved directly or indirectly in regulatory, supervisory and enforcement functions that control money laundering and terrorist financing activities.
08:30 – 09:00  **Live stream - Welcome and Opening Remarks**  
Representative from the Bank of Zambia (BoZ)  
Shelina Visram, Program Director, Toronto Centre (TC)  
Online Group Photo

09:00 – 09:45  **Session 1: Live stream: AML/CFT risk discussion**  
*John Aspden, Program Leader, Toronto Centre*  
Opening discussion among participants to exchange initial views on:  
- Success in applying AML/CFT measures in Zambia  
- Overview of challenges encountered  
- Current vulnerabilities

09:45 – 10:30  **Session 2: Video: Effective AML/CFT in Zambia**  
*John Aspden*  
- Keeping the National Risk Assessment (NRA) up-to-date, and addressing ESAAMLG recommendations  
- Conditions and processes which can facilitate ML and TF  
- Weaknesses in AML/CFT defences  
- AML/CFT measures meeting the objectives of financial inclusion  
- Using the NRA as an ongoing tool

10:30 – 11:15  **Session 3: Video: The Risk Based approach by Financial Institutions**  
*Richard Pratt, Program Leader, Toronto Centre*  
- Developing effective customer due diligence processes and addressing ESAAMLG recommendations  
- Applying the FI’s risk assessment to CDD obligations  
- Identification, verification (while working towards financial inclusion and gender equality)  
- Beneficial owners

11:15 – 11:30  **BREAK**

11:30 – 12:15  **Session 4: Video: Risk categorization of customers**  
*Richard Pratt*  
- Example methodologies  
- Risk based due diligence and controls  
- Enhanced and simplified due diligence  
- Prioritizing financial inclusion consistent with CDD requirements  
- Building customer profiles  
- Monitoring customers

12:15 – 12:45  **Session 5: Live stream: Q&As on Sessions 2 to 4**  
*Richard Pratt and John Aspden*

12:45 – 13:30  **LUNCH**
13:30 – 14:30  **Session 6: Live stream: Group exercise on identifying key challenges**  
*Richard Pratt and John Aspden*  
Group discussion to probe:  
- Specific and prevalent AML/CFT threats and vulnerabilities in Zambia  
- How they are being addressed? Is this impacting on financial inclusion and equal access by gender?  
- Is adequate data being obtained to support understanding of risk?  
- Co-operation and dialogue across business sectors and different agencies

14:30 – 15:15  **Session 7: Video: Managing and controlling ML/TF risks**  
*Richard Pratt*  
- Essential elements of a risk-based control system within Zambia’s FIs  
- Monitoring the effectiveness of FI controls  
- New technologies  
- Using risk-based CDD to promote financial inclusion  
- Implementing terrorist sanctions requirements in Zambia

15:15 – 15:30  **BREAK**

15:30 – 16:15  **Session 8: Video: The risk-based use of supervisory tools Part One**  
*Richard Pratt*  
- Addressing ESAAMLG Recommendations  
- Using the risk assessment to prioritize supervisory tools  
- Licensing to protect the Zambian financial market  
- Enforcing standards in Zambia  
- Obtaining market and other intelligence

16:15 – 17:00  **Session 9: Video: Risk based use of supervisory tools Part Two**  
*Richard Pratt*  
- Setting reporting requirements by FIs  
- Using periodic returns by FIs more effectively  
- Risk categorizing FIs  
- Maintaining and updating risk assessments of FIs

17:00 – 17:30  **Session 10: Live stream: Quiz**  
*Richard Pratt and John Aspden*

17:30 – 17:45  **EVALUATION / END OF DAY**
TUESDAY, JUNE 23

08:30 – 9:15  Session 11: Video: Digging deeper: the importance of the risk-based inspection, Part One
John Aspden
- Developing an inspection programme
- Planning objectives and methodology
- Conducting an effective inspection

9:15 – 10:00  Session 12: Video: Digging deeper: the importance of the risk-based inspection, Part Two
John Aspden
- Reporting and following up inspection findings
- Embracing gender equality in the compliance environment

10:00 – 10:30  BREAK

10:30 – 12:45  Session 13: Live stream: Group exercise on applying for a license
Richard Pratt and John Aspden
- Participants will engage in a role play between a bank applying for a licence and a supervisor in charge of assessing the application.

12:45 – 13:45  LUNCH

13:45 – 14:15  Session 14: Live Stream: Q&As on Sessions 7 – 12
Richard Pratt and John Aspden

14:15 – 14:45  Session 15: Live stream: Quiz
Richard Pratt and John Aspden

14:45 – 17:15  Session 16: Live stream: Group exercise on post inspection follow-up and disciplinary measures
Richard Pratt and John Aspden
- The Group will undertake an exercise between a supervisor who has found a number of significant lapses in a bank’s compliance and the bank which is trying to defend its position and head-off formal disciplinary action.

17:15 – 17:30  EVALUATION / END OF DAY
WEDNESDAY, JUNE 24

08:30 – 9:15  **Session 17: Video: Combatting terrorist financing – Part One**  
**John Aspden**  
- FATF requirements  
- Threats and vulnerabilities

09:15 – 10:00  **Session 18: Video: Combatting terrorist financing – Part Two**  
**John Aspden, Program Leader**  
- Customer risk profile characteristics for TF  
- Product and transaction risk

10:00 – 10:30  BREAK

10:30 – 11:15  **Session 19: Video: Making a risk-based AML/CFT regime work**  
**John Aspden**  
- Understanding a Bank’s Approach to Risk  
- Identifying the True Beneficial Owner  
- Virtual Assets and Electronic Payments  
- De-Risking  
- New Technology

11:15 – 11:30  **Session 20: Live stream: Q&As on Sessions 15 to 17**  
**Richard Pratt and John Aspden**

11:30 – 12:00  **Session 21: Live Stream: Quiz**  
**Richard Pratt and John Aspden**

12:00 – 12:30  **Session 22: Introduction to Case study**  
**Richard Pratt and John Aspden**  
- Reading materials – 30 mins

12:30 – 13:15  LUNCH

13:15 – 14:30  **Session 22 (cont): Live stream: Group Exercise HSBC case study**  
**Richard Pratt and John Aspden**

14:30 – 14:50  BREAK

14:50 – 16:45  **Session 22 (cont): Live stream: Group Exercise HSBC case study**  
**Richard Pratt and John Aspden**

16:45 – 17:15  **Session 23: Live stream: Final Session: Group discussion**  
**Richard Pratt and John Aspden**  
- Key Lessons Learned  
- Areas for Improvement

17:15 – 17:45  **EVALUATION AND CLOSING CEREMONY**