Frequently Asked Questions

Compliance Officers

The FAQ on AML/CFT & Sanctions is a dynamic document that is periodically updated by the ICPAC Monitoring & Compliance Team. Updates are based on questions received from ICPAC Members during support interactions and from participant inquiries raised in ICPAC seminars.

The information provided in this FAQ is intended for general informational purposes only and does not constitute legal or professional advice. While we strive to ensure that the information is accurate and up-to-date, regulations, laws, and procedures may change, and interpretations may vary depending on specific circumstances. For any legal, compliance, or regulatory concerns, it is strongly recommended that you consult with qualified legal or compliance professionals to ensure adherence to relevant laws and regulations.

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FAQs

Compliance Officer

1. **Q.: What is the procedure for appointing a Compliance Officer in a firm licensed by ICPAC?**
   A.: The procedure for appointing a Compliance Officer in a firm licensed by ICPAC can be found here.

2. **Q.: How can I verify if a Compliance Officer holds the AML/CFT Certification?**
   A.: A Step-by-step guide to find an AML-CFT Certification holder can be found on ICPAC website here.

3. **Q.: How can I find the name of the Compliance Officer appointed by a firm licensed by ICPAC?**
   A.: You may find a step-by-step guide on how to find the Compliance Officer appointed in a firm licensed by ICPAC here.

4. **Q.: How should a compliance officer handle a situation where there is conflict between business interests and compliance requirements, such as AML/sanctions risks during client onboarding, while considering the firm's profitability?**
   A: It's crucial to assess the situation carefully to protect both the firm's integrity and profitability. Any measures taken should reflect the firm's risk appetite and correspond to its risk tolerance. The role of the compliance officer is to identify the risks and assess whether there are mitigating factors that can reduce the inherent risk as to bring the residual risk to an acceptable and manageable level, enabling the approval of the business relationship. Here's a suggestive guide on how to approach it:

a) Identify the risks
- Identify the risks of the potential client, make sure this does not fall beyond the firm's Client Acceptance Policy ("CAP") and prepare a findings report with a documented conclusion that can be used for discussion with the business unit of the firm.

b) Open Communication with colleagues and management:
- Present your findings to the relevant business units in a clear and factual manner.
- Explain the compliance risks and potential legal or reputational consequences of proceeding.

c) Seek Collaborative Solutions:
- Work with the business team to explore options that might mitigate risks, such as enhanced due diligence, implementing specific monitoring controls or limiting the scope of services offered.
- Consider whether additional measures can bring the risk to an acceptable level without breaching regulations or company policies.

d) Adhere to Compliance Obligations:

- Remember that regulatory compliance is non-negotiable and should not be compromised for business gains.
- Ensure all suggested actions are in line with legal requirements and the firm's compliance policies.

e) Escalate When Necessary:

- If a consensus cannot be reached, escalate the issue to senior management or a dedicated risk committee.
- Provide all relevant information to support an informed decision.

f) Document Everything:

- Keep detailed records of all assessments, communications, and decisions.
- Documentation is essential for accountability and may be required for regulatory audits.

g) Educate on Long-Term Implications:

- Help business stakeholders understand that non-compliance can lead to severe penalties, including fines and damage to the firm's reputation, which can far outweigh short-term profits.

💡 Important Insight:

For a deeper understanding of this topic, make sure to watch the Compliance Officers **ComplianceBrief**. It addresses key points and examples, sometimes going beyond what's in this FAQ

📽 Watch the ComplianceBrief

Miscellaneous

1. **Q.: Where can I access ICPAC's published materials on AML/CFT and sanctions compliance?**
   A.: All materials related to AML/CFT and sanctions compliance published by ICPAC can be found under the **"Monitoring & Compliance"** tab on ICPAC's official website. This section includes guides, directives, and updates to assist with compliance requirements.

2. **Q.: Does ICPAC offer free seminars for its members or other educational material?**
   A.: ICPAC, in collaboration with VinciWorks, an online compliance training provider, offers its members free e-learning modules on compliance-related topics. The e-learning platform provides access to a variety of subjects, including Money Laundering, Client Due Diligence, Identifying and Dealing with Suspicions, Sanctions, Bribery and Corruption, Fraud, and Market Abuse, among others.

   ICPAC Members can access the platform here

   Furthermore, the educational initiative "ComplianceBriefs" has been developed to enhance understanding and awareness of AML/CFT and sanctions-related topics. The ComplianceBriefs series is available on the ICPAC website here. Please note that viewing this training material qualifies as non-verifiable CPD units for compliance purposes.

3. **Q.: When is the Consolidated AML/CFT & Sanctions Questionnaire released for completion?**
   A.: The submission of the Consolidated AML/CFT & Sanctions Questionnaire to ICPAC is an annual obligation. It is usually circulated to all firms and Compliance Officers at the end of May each year and aims at collecting information for the previous calendar year.

   The submission deadline for the Questionnaire is the 30th of June every year.

   To facilitate the preparation process, a template has been developed, highlighting key statistical data that firms should maintain to ensure readiness for the Questionnaire's release. The template can be accessed here under the name *«Annual AML-CFT Questionnaire - Template (statistics)»*. Please check the link regularly for any updates or revisions.

4. **Q.: Where can I find the required forms and templates for reporting information to ICPAC?**
   A.: All required forms are available on the ICPAC website here. These forms cover various reporting requirements, including the following:

Forms:

a) **Trust Registration or Information Update:** To notify ICPAC about the registration of a trust in the trust registry or to update trust information, access the relevant form here. For any inquiries, contact trusts@icpac.org.cy
b) **Notification of Natural Persons Employed by an ASP**: The relevant form can be accessed here. For any questions, contact info@icpac.org.cy
c) **Notification of Subsidiary Companies of an ASP:** The relevant form is available here. For inquiries, contact info@icpac.org.cy
d) **Amendments to Firm Details:** To update firm details (e.g., name, addresses, compliance officer, director, shareholder, contact information, etc.), complete the Amendment of Firm's Details form, available here. For any questions, contact info@icpac.org.cy

Additionally, the ICPAC website offers compliance-related templates, which can be accessed here. These include:

Compliance Templates:

a) ICPAC AML Monitoring Visits – PVQ
b) ICPAC AML Monitoring Visits – AML Client List – PVQ
c) Reporting Template for Sectoral Sanctions
d) Template for True Matches Based on the Sanctions Directive
e) Sample Third-Party Reliance Questionnaire
f) Annual AML/CFT Questionnaire – Template (Statistics)

5. **Q.: What penalties can be automatically imposed for late submissions?**
A.: While penalties may be imposed for various infringements, in accordance with the ICPAC Regulation for Administrative Procedures and the Process of Imposing Administrative Sanctions, below are answers to some of the most frequently asked questions regarding penalty enforcement:

a) Failure to notify ICPAC within 7 days of any changes to the **Compliance Officer's** details incurs a predefined penalty of €500.
b) Failure to notify ICPAC within 15 days of the registration of a new **trust** or any changes to an existing trust incurs a predefined penalty of €100.
c) Failure to submit the annual **AML/CFT Questionnaire** within the set deadline incurs a predefined penalty of €500.
d) Failure to provide notification within 7 days of any changes to the Firm's **shareholding structure and directors** incurs a predefined penalty of €1000.