



TWO DAYS TRAINING REPORT AML/CFT

May 30-31, 2022



2022

HRDN

CONTENTS

INTRODUCTION OF HRDN	2
INTRODUCTION TO TRAINING:	2
OBJECTIVES:	3
METHODOLOGY	4
EXPECTATIONS	4
MODULE 1: REGULATORY REGIMEN AND LEGAL REQUIREMENTS TO MEET	5
MODULE 2: BASIC CONCEPTS AND TYPOLOGIES OF MONEY LAUNDERING:	5
MODULE 3: COMPLIANCE REQUIREMENTS FOR FINANCIAL INSTITUTIONS:	6
DAY 2:	7
MODULE 4: UNDERSTANDING OF KYC, GENDER CONSIDERATION IN AML/CFT, AND NRSP'S POLICIES AND MEASURES FOR AML/CFT COMPLIANCE	7
MODULE 5: COMBATING THE FINANCING OF TERRORISM AND SANCTIONS:	8
MODULE 6: ROLE OF FINANCIAL MONITORING UNIT AND REPORTING	8
PRE AND POST TEST (LEARNING GAUGE)	9
ANNEXURE 1: FLYER	11
ANNEXURE 2: Two DAYS AGENDA	12
ANNEXURE 2: PRE-POST TEST	13
ANNEXURE 2: ATTENDANCE SHEET	14

INTRODUCTION OF HRDN

The Human Resource Development Network (HRDN) was established in 1999 and it was officially registered in 2002 under Societies Registration Act XXI of 1860, however since 2017 Human Resource Development Network is registered as HRD Network under Companies Ordinance 1984. It was conceived by Human Resource Development (HRD) professionals as a platform to strengthen individual and institutional capacities to promote sustainable development, enable cross learning, share best practices through networking, piloting innovative models and evidence-based policy advocacy.

HRDN is a membership-based network of national and international NGOs and individual professionals. Promoting sustainable development, strengthening individual and institutional capacities, and improving governance.

HRDN has extensive footprint across Pakistan through its member organizations, which contribute in various thematic areas. The network has also a rich resource pool of more than 300 experts from diverse backgrounds, which provides capacity-building support to organizations and individuals.



The Network piloted and rolled out many innovative models of development by successfully completing projects independently and in consortium with its member organizations, in the areas of Youth Workforce Development, Children Education, Governance, Transparency & Accountability, Capacity Building of Public Sector Organizations, Peace Advocacy, Women & Labor Rights, Economic Empowerment, WASH, Community Based Disaster Resilience & Risk Management, Emergency and Relief activities in collaboration and partnership with USAID, UNDP, UNICEF, UNESCO, UNOPS and other bilateral donors.

INTRODUCTION TO TRAINING:

Anti-Money Laundering & Combating Financing of Terrorism" training was designed to provide the professional with an in-depth understanding of the latest amendments in the legal and regulatory framework for banks and other organizations in light of recent amendments in the AML/CFT Law in Pakistan to comply with FATF recommendations and standards. This AML/CFT training is in-line with SECP and SBP guidelines. *Flyer is attached as annexure 1*

Modules Covered during training

- Module 1: Regulatory Regimen & Legal Requirements to Meet International Standards
- Module 2: Basic Concepts and Typologies of Money Laundering
- Module 3: Compliance Requirements for Financial Institutions
- Module 4: Combating the Financing of Terrorism and Sanctions
- Module 5: Role of Financial Monitoring Unit and Reporting Requirements

Schedule of the training is attached as annexure 2

OBJECTIVES:

The objective of this training is to provide basic money laundering information in a better, quicker, and more efficient way by making them familiar with many of the laws and regulations. Moreover, this training will provide a holistic overview of money laundering standards and issues, including definitions, processes of money laundering, and the impact.

KEY LEARNING OBJECTIVES:

- To provide an in-depth knowledge of international obligations and local laws/regulations related to anti-money laundering.
- To introduce basic money laundering concepts and how they operate in the financial services business context.
- To provide perspective of regulators to the participants.
- To develop a consistent and practical methodology for the analysis and management of money laundering-related risks applicable to the financial sector
- To discuss customer due diligence and know your customer expectations.
- To enhance and maintain the quality of job performance and skill level of AML compliance officers.
- To foster Due diligence measures to deter money laundering and terrorist financing
- To enhance expertise of financial sector participants in their analysis and management of different types of risks associated with money laundering & terrorist financing
- To help participants to avoid the penalties for non-compliance with AML legislation
- To identify the basic building blocks of risk management functions of major AML program elements.

METHODOLOGY

Training methodology was based on a combination of formal interventions like workshop and informal interventions such as mentoring and coaching. The interventions are designed after assessing the project needs.

The training provided a challenging and enriching experience that allows the participants to learn from one another in a dynamic environment that includes perspectives from diverse cultural situations while growing together and encouraging one another to achieve personal and professional goals.

The training workshop designed in such a manner to accommodate the highest participation level. During the workshop, the Resource Person engaged herself with the participants as a facilitator, coach, and trainer to gauge their interest in the training and to give them conceptual clarity. The training methodology combined with methodological presentations with practical exercises as per manual guidelines. The first part included for example:

- Mini- lectures
- Presentation
- Brainstorming
- Card storming
- Relevant Stories and imaginary characters
- Sharing of Live examples and experiences

The practical part of the workshop dealt with the following:

- Small group exercises

Presentation and communication being important skills extensively developed among the participants. Presentation and communication skills enhanced through interactive sessions and also by ensuring regular and extensive presentations to be delivered by the participants.

To identify exact needs of the participants to be addressed during the workshop, feedback pertaining to the classroom problems collected from the participants.

EXPECTATIONS

- Will learn more for two days training
- Will understand the roles and responsibilities of different stakeholders
- Will be able to implement learned tools and techniques regarding AML/CFT
- Will learn about the role of NPOs and other stakeholders to combat AML/CFT



MODULE 1: REGULATORY REGIMEN AND LEGAL REQUIREMENTS TO MEET

International Standards:

FATF is an inter-governmental policy making body set up in the late 80's by G-7 countries that



monitors member-states for implementation of FATF standards and identifies countries with significant AML/ CFT weaknesses in order to work with them to address those weaknesses. The FATF recommendations set out the essential financial measures that countries should have in place. A total of 40 recommendations are attributed to the FATF pertaining to matters of AML/CFT/CPF global standards. These recommendations aim to develop policies and domestic coordination in

order to identify the risk. The objective is to pursue money laundering, terrorist financing and the financing of proliferation. The FATF's objective is to establish powers and responsibilities for the competent authorities and other institutional measures in order to increase transparency and facilitate international cooperation. The FATF issues its public statement in the month of February, June and September and places high-risk countries in black-list and countries with strategic deficiencies in grey-list. Impact on grey-listed countries include increase in compliance costs, negative impact on remittances, decline in international trade, economic linkage, impact on investment and reputational implications. The FATF conducts a 'Technical Compliance Assessment' in order to see the country's compliance with its 40 recommendations and an 'Effective assessment' which evaluates the robustness of the country's financial system. This is done as part of its 'Mutual Evaluations' in order to ascertain the ratings given to each country.

MODULE 2: BASIC CONCEPTS AND TYPOLOGIES OF MONEY LAUNDERING:

The 'Palermo Convention' defines money laundering as follows:

(i) The conversion or transfer of property, knowing that such property is the proceeds of crime, for the purpose of concealing or disguising the illicit origin of the property or of helping any person who is involved in the commission of the predicate offence to evade the legal consequences of his or her action.

(ii) The concealment or disguise of the true nature, source, location, disposition, movement, or ownership of or rights with respect to property, knowing that such property is the proceeds of crime.

The different sets of stages that can be identified as money laundering are placement, layering and integration. In the process of placement the money launderer introduces the illegal proceeds into the financial system. The typical way is to break up large amounts of cash into smaller sums and depositing them directly into a bank account. The money then travels across borders deposited in various financial institutions. Else, it could be used to buy high-value goods that can then be resold



for payment by cheque or bank transfer. The second stage of layering involves converting the proceeds of the crime into another form and creating complex layers of financial transactions to disguise source and ownership of funds. This includes changing this deposited money into monetary instruments such as traveller's cheques or investing in real estate or other legitimate businesses or in investments such as stocks and bonds. And therefore, finally these

criminal proceeds re-enter into the economy qualifying as legitimate wealth in the form of above stated monetary instruments or other modes of wealth. Common sources of illegal money include corruption, fraud, terrorism, illegal trafficking of drugs, weapons and people, smuggling, tax evasion.

Money laundering can be used as well for terrorist financing either through legitimate sources such as charitable donations or through illegitimate sources like trafficking and kidnapping. FATF definition of 'Terrorist financing' is as follows:

" Terrorist financing offences should extend to any person who wilfully provides or collects funds or other assets by any means, directly or indirectly, with the unlawful intention that they should be used, or in the knowledge that they are to be used, in full or in part: (a) to carry out a terrorist act(s) (b) by a terrorist organization; or (c) by an individual terrorist.

MODULE 3: COMPLIANCE REQUIREMENTS FOR FINANCIAL INSTITUTIONS:

Certain amendments were made to the AML Act 2010. Money laundering was declared a cognizable offence in addition to already being a non-bailable offence which means that the investigation officers can arrest people without warrants. The amounts of fines pertaining to money laundering were increased from 1 million to 25 million Rupees in case of natural persons and the amounts of fines relative to legal persons were increased from 5 million to 100 million Rupees. Deliberate failure or refusal to provide assistance in relation to money laundering was now treated as misconduct, punishable with imprisonment for up to five years and a fine of up to Rs. 1 million for natural person and upto Rs. 10 million for legal person. The roles of National Executive Committee, General Committee and Financial Monitoring Unit were increased to place greater focus on the money laundering and terrorist financing. The regulators including SBP, SECP, FBR, Pakistan Post and National Savings together with the SRB'S including ICAP, ICMAP and Pakistan Bar Council will now make up the AML/CFT regulatory authority. Also, detailed guidelines on Customer Due Diligence (CDD) were given

as to when and how to perform CDD. Record keeping, allowing third-party reliance, what to do in case of inability to perform CDD, tipping off, risk understanding and compliance programmes were some of the techniques discussed under the CDD to curb money laundering.

DAY 2:

MODULE 4: UNDERSTANDING OF KYC, GENDER CONSIDERATION IN AML/CFT, AND NRSP'S POLICIES AND MEASURES FOR AML/CFT COMPLIANCE

On second day Mr. Akhlaq Hussain, Programme Manager Compliance NRSP and Ms. Saira Bano, senior programme Officer Development delivered sessions on the following three topics:

- Gender consideration and gaps in KYC
- Understanding of KYC
- NRSP measures and policies for AML/CFT compliance

In this session the gender gaps were discussed by Ms. Saira Bano and what kind of steps should be taken to overcome these gaps to ensure the financial inclusion of women. The KYC requirements are the main barrier for financial inclusion and economic empowerment of the women. So it was suggested that economic well-being and development are supported by improving access of women to formal financial services to save money securely, insure possessions and responsibly access credit for small businesses.



The second part of the session was discussed by Mr. Akhlaq Hussain in which he briefly describes how a Not-for-Profit Organisations (NPOs) can screen their customers and donors before, after and during business relationship. He also explained the Policies and internal controls developed by NRSP to meet the requirement of the regulators. He delineated the compliance requirements for Not-for-Profit

Organisations (NPOs) registered with Securities and Exchange Corporation Pakistan. He also presented the compliance requirements of NPOs to Charities Act. Mr. Akhlaq Hussain described compliance and Risk-mitigations procedures and red flag areas in detail. He shared the screen shots of Compliance MIS developed by NRSP-IT and also discuss in detail the donor risk assessment forms created by compliance and risk section.

The participants appreciated for making such a comprehensive presentation. Some RSPs had already set up an independent section for Compliance and Risk Assessment and Mitigation. Others said that they will inform their higher management about it so that their RSPs also have complied with the NPO regulations of SECP and Charities Act.

MODULE 5: COMBATING THE FINANCING OF TERRORISM AND SANCTIONS:

During the training different recommendations by the FATF were discussed. They suggested that countries should require financial institutions and designated non-financial businesses and professions (DNFBPs) to identify, assess and take effective action to curb ML/TF risks. It was proposed that countries should have national AML/CFT policies & designate an authority or have coordination or other mechanism that is responsible for such policies. It was recommended to criminalize money laundering on the basis of the Vienna Convention and the Palermo Convention and apply the crime of money laundering to all serious offences. Another recommendation was to criminalize TF on the basis of the TF Convention, and should criminalize not only the financing of terrorist acts but also the financing of terrorist organizations and individual terrorists even in the absence of a link to a specific terrorist act or acts. Countries should ensure that 'Money or Value Transfer Services' are licensed or registered and subject to effective systems for monitoring and ensuring compliance with the relevant measures called for in the FATF recommendations. In relation to wire transfers the FATF recommended seeking originator information and beneficiary information throughout the payment chain. The FATF further recommended to eliminate the misuse



of legal persons for ML/TF. A setting up of 'Financial Intelligence Units' was proposed to analyse all the information relating to ML/TF in detail and disseminate that information. The responsibilities of law enforcement and investigative authorities were defined as well to ensure AML and CFT.

MODULE 6: ROLE OF FINANCIAL MONITORING UNIT AND REPORTING

Any government agency, autonomous body, regulatory authority, domestic or foreign, may share intelligence or report their suspicions within the meaning of STR (Suspicious Transaction Reports) to FMU in normal course of their business. Several red flag indicators were mentioned relative to bank accounts and transactions. An account in which several individuals hold signatory authority and the individuals do not apparently have any family or business relationship was deemed to be suspicious as was an account opened by a person that has the same addresses or contact numbers as any other person without any apparent economic or plausible reason. A person or entity maintaining an account apparently associated with a terrorist organization or having similar ideology as of a terrorist organization should be sifted thoroughly. Any type of irregularity noticed during the identification and verification process while opening the account which could not be adequately justified by the individual or entity should be reported to the FMU by the relevant governmental body or agency identifying this issue. Other forms of suspicious transactions could be if a dormant account suddenly receives a huge deposit or series of deposits followed by cash withdrawals made on regular basis till the funds in the account are reduced to a nominal balance. Another indication of an STR could be if

multiple cash deposits of small amounts are seen in different accounts maintained by the same person in different branches of a bank in a single day. These were some of the few guidelines or recommendation put forward by the FATF, discussed during the course of the training.

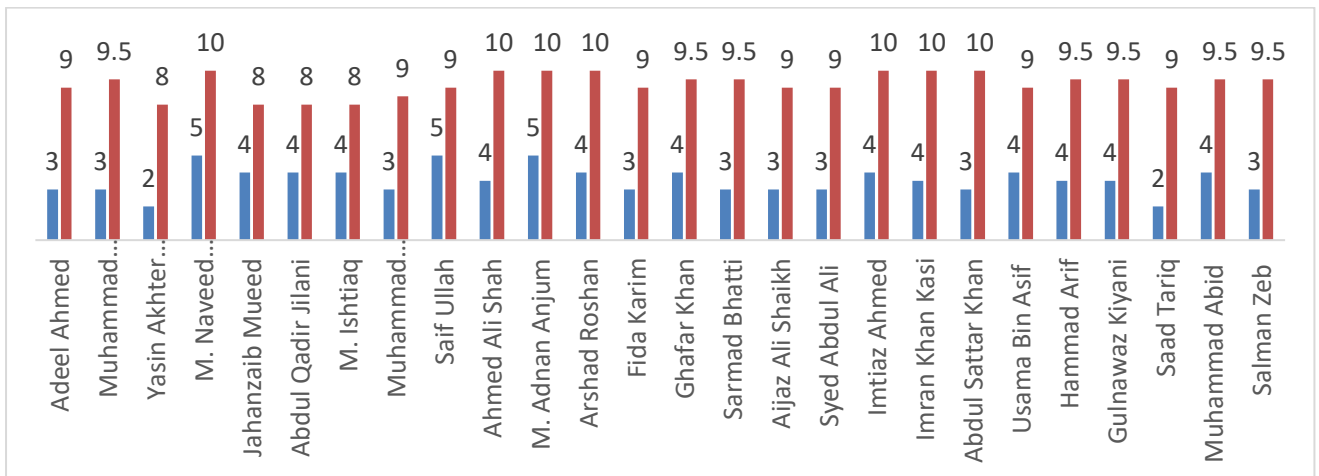
PRE AND POST TEST (LEARNING GAUGE)

The training was evaluated by a pre and post-test questionnaire of both events. All the items in the test were analysed using simple content analyses techniques.

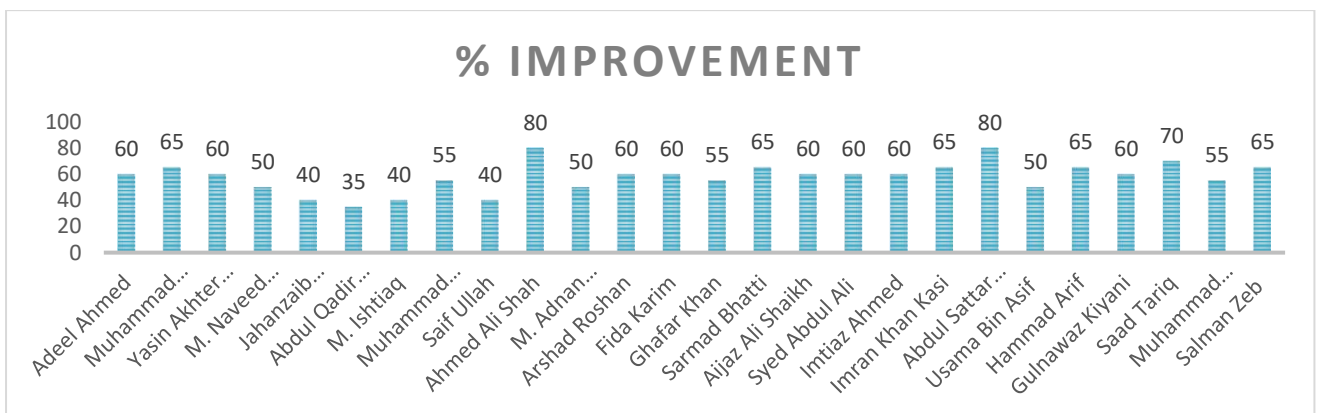
Below is the chart shows the difference between pre and post-test of participants

Pre Test: ■

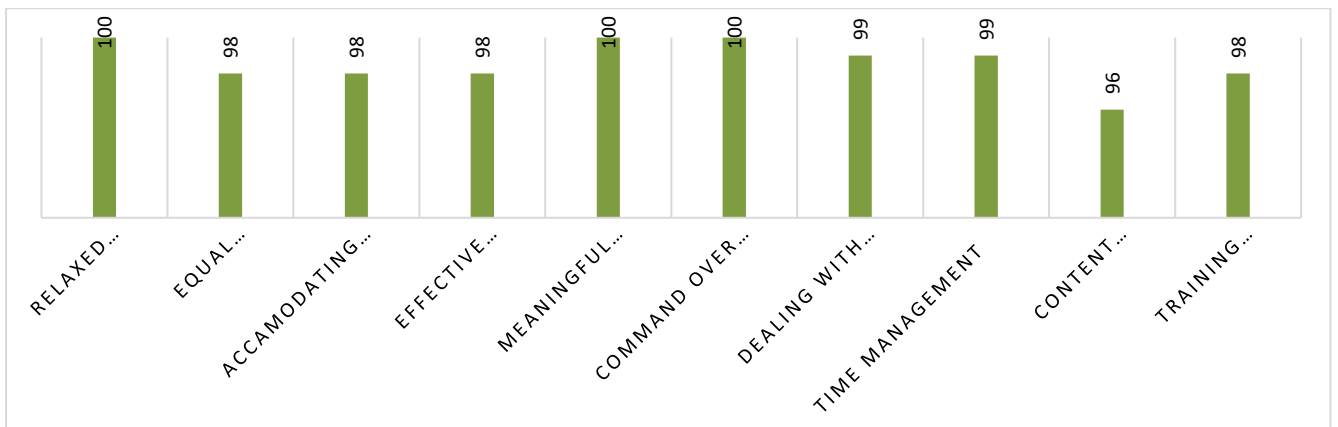
Post Test: ■



Below is give the graph in the %age of Improvement



Assessment of the resource person is given below



Training Evaluation is given below





TRAINING ON ANTI-MONEY LAUNDERING

May 30-31, 2022

Introduction

"Anti-Money Laundering & Combating Financing of Terrorism" is designed to provide the professional with an in-depth understanding of the latest amendments in the legal and regulatory framework for banks and other organizations in light of recent amendments in the AML/CFT Law in Pakistan to comply with FATF recommendations and standards. This AML/CFT training is in-line with SECP and SBP guidelines. Other key topics that will be covered in the program include International Obligations, Money laundering Indicators, Basics of Terrorist Financing and Suspicious Activity Reporting, and Bank Fortification Measures.



Objectives

- The objective of the training is to provide basic money laundering information in a better, quicker, and more efficient way by making them familiar with many of the laws and regulations.
- This course will give a holistic overview of money laundering standards and issues, including definitions, processes of money laundering, and the impact.

Modules Covered During Training

Module 1: Regulatory Regimen & Legal Requirements
 Module 2: Basic Concepts and Typologies
 Module 3: Compliance Requirements
 Module 4: Combating the Financing of Terrorism & Sanctions
 Module 5: Role of Financial Monitoring Unit & Reporting Requirements

Resource Person

Renowned Resource Person from Banking and related Public Sector i.e. State Bank, SECP etc.

Who should join?

- Compliance Professionals
- Sanctions Professionals
- Anti-fraud Professionals
- Intermediate career AML Professionals
- Finance and Accounting Professionals
- Non-Financing Professionals
- Senior and Mid-level professionals
- Board members

CONTACT US

Robeela Bangash
+92-51-8742215-16

HOW TO APPLY

For detail, email at
saima@hrdn.net
robeela@hrdn.net

TRAINING FEE:

PKR 25000/-
per head

LAST DATE TO APPLY

May 15, 2022
www.hrdn.net

ANNEXURE 2: TWO DAYS AGENDA

Two Days Training on AML/CFT May 30-31, 2022

Time	Session	Methodology
Day One		
0900	<ul style="list-style-type: none"> – Recitation of Holy Quran – Attendance & Registration – Introduction of Participants – Expectation and Fears – Pre test 	
1000	Tea Break	
1020	Module 1: Regulatory Regimen & Legal Requirements to Meet International Standards	Group work, Brain storming, PowerPoint presentation
(1300)	Lunch Break	
1400-1600	Module 2: Basic Concepts and Typologies of Money Laundering	Group work, Brain storming, PowerPoint presentation
0900 - 9:30	Review of the previous day	
0930 – 1100	Session on AML/CFT (TBD)	By NRSP
(1100)	Tea Break	
1130 – 1300	Module 3: Compliance Requirements for Financial Institutions	Group work, Brain storming, PowerPoint presentation
(1300)	Lunch Break	
14:00-16:00	Module 4: Combating the Financing of Terrorism and Sanctions Module 5: Role of Financial Monitoring Unit and Reporting Requirements	Group work, Brain storming, PowerPoint presentation
1600-1700	<ul style="list-style-type: none"> – Workshop Evaluation & closing – Post test 	

Two Days Training on AML/CFT May 30-31, 2022

Pre Test:

Post Test

Name:

Organization:

1. What do you mean by Money Laundering and Combating the Financing of Terrorism?

Money Laundering:

Combating the Financing of Terrorism:

2. What is one way a money launderer can attempt to launder his money?

- He can create a separate identity.
- He can create a set of false books.
- He can create a set of false books.
- He can open a bank account.

3. What does smurfing involve?

- Making small deposits over time
- Opening a bank account
- All the above responses are correct.
- Closing a banking account

4. Which of these describes a shell company?

- Business that conducts a lot of business activities globally
- Businesses whose financial records can't be located.
- Businesses that have correct financial records.
- Businesses that actually conduct no real business

5. Which of these is NOT true about money laundering?

- It typically involves the use of onshore accounts.
- It can be done with small deposits of money.
- It is an illegal practice that occurs worldwide.
- It can be done through fraudulent record keeping.

6. What are the steps in risk-based approach?

- Identify the risks.
- Assess the risks.
- Design and put in place controls to manage and reduce risks.
- Monitor and improve the effective operation of the risk-based controls.

7. How will you identify suspicious transactions?

8. What is meant by Name screening?

9. What are the stages of money laundering?

10. What is the role of Financial Monitoring Unit?

**Two Days Training on AML/CFT
Attendance Sheet**



Sr#	Name	Organization	Designation	Contact Number	Email address	Signature May 30, 2022	Signature May 31, 2022
1.	Muhammad Abid	NRSP Microfinance Bank	Operation Manager	0343-850725	Muhammad.Abid@nrspbank.com		
2.	Salman Zeb	NRSP Microfinance Bank	Operation Manager	0345-555950	Salman.zeb@nrspbank.com		
3.	Fida Karim	GBRSP	CFO	03451859955	fida.karim@gb-rsp.org.pk		
4.	Adeel Ahmed	NRSP (RYK)	RP-MER	0305-553538	adeel.buappi@nrsp.org.pk		
5.	M. Hamid Arif	PPAF	Manager	0315-587667	hamid-arif@ppaf.org.pk		
6.	Ghaffar Khan	GBRSP	HM-NMF	0345603432	Ghaffar.khan@gb-rsp.org.pk		
7.	M Gulsharane	PPAF	Manager	0321-509966	Gulsharane@ppaf.org.pk		

Two Days Training on AML/CFT Attendance Sheet



Sr#	Name	Organization	Designation	Contact Number	Email address	Signature May 30, 2022	Signature May 31, 2022
8.	M. Anad Saadhu	NRSP	Area Manager	0341 0584118	asad.nrsp @nrsp.org.pk		
9.	YASIN AKHTAR	NRSP	AREA MANAGER	0310 5665258	Yasin.akhatar@nrsp.org.pk		
10.	Abdul Qadir	NRSP - AJK Region	PO Compliance	0300 0587609	qadir.jilani @nrsp.org.pk		
11.	Muhammud Sawbir Nadeem	NRSP KP Region	SPO - Finance Advising Compliance	0346855 2244	Sawbir.nadeem @nrsp.org.pk		
12.	Imran Khan Kasi	BRSP	Deputy Manager Finance	0345-851323 5	Imran.khan @BRSP.org.pk		
13.	Abdul Saïas Ichan	BRSP	Deputy Manager Procurement	0552-3845 741	Saïas@brsp. org.pk		
14.	ILSAMA BIN AFI	BRSP	Sr. Compliance Officer	03342471660	ilsama@brsp.org.pk		

Two Days Training on AML/CFT Attendance Sheet

Sr#	Name	Organization	Designation	Contact Number	Email address	Signature May 30, 2022	Signature May 31, 2022
15.	SYED ABDUL ALI.	BRSP	CIA	0333-7861779	abdul.ali@brsp.org.pk		
16.	Imtiaz Ahmad	BRSP	Coor-CIF	0315-983534	imtiaz.ahmed@brsp.org.pk		
17.	Nuqman Adnan Anjum	GBTI	SPO.	0301-8556687	adnan.map@gti.org.pk		
18.	Axshad Roshan	RRSO	A-M	0314445561	axshad.rosheem@rrso.org.pk		
19.	Saad Tariq	PPAF	ASSISTANT MANAGER	0333-5617697	saad.tariq@ppaf.org.pk		
20.	AJAZ ALI SHAHID	TRDP	Internal Auditor	0333-3948622	ali.ajaz19@khan.com		
21.	Sarheed Bhatti	TRDP	Head of Finance	0333-3156713	sarheed@khan.com		



Two Days Training on AML/CFT Attendance Sheet

Sr#	Name	Organization	Designation	Contact Number	Email address	Signature May 30, 2022	Signature May 31, 2022
22.	Jahanzeb Mueed ✓	NRSP	JPO	0333644419	jahanzeb.mueed@nrsp.org.pk		
23.	M. Jawed ✓	NRSP	RP	03018583551	mohamed.jawed@nrsp.org.pk		
24.	Saif Ullah ✓	NRSP	PO-FAA	0372223562	Saif.Ullah@nrsp.org.pk		
25.	Ahmed Ali Shah ✓	NRSP	PO-FAA	0309-2224522	ahmed.ali.shah@nrsp.org.pk		
26.	Muhammad Ishtiaq ✓	GRETI	CFO	03008557778	Muhammad.Ishtiaq@greti.gov.pk		
27.	Saif Ullah						
28.	Ashad Roshan	SRSO	A-M	031155556	ashad.roshan@srso.org.pk		