

BEST PRACTICES FOR THE RISK BASED APPROACH ASSESSMENT OF THE ANTI-MONEY LAUNDERING PROGRAM WITHIN A FINANCIAL INSTITUTION

Codescu Ioana Ana-Maria*

*Niculae Titulescu University, Bucharest, Romania
Commerzbank AG, Frankfurt am Main, Germany*

Abstract

The Anti-Money Laundering („AML”) internal controls of financial institutions are no longer implemented to satisfy the supervision authorities, but precisely to prevent risks from materializing, risks which are much higher than just a fine, such as legal, reputational or substantial financial risks. Thus, we are welcoming institutional changes on the mentality and organizational culture, with the purpose of preventing the use of the financial institutions as means for money laundering, terrorist financing or other fraud schemes.

This paper will firstly approach the „need” evolution with respect to AML measures, continuing by detailing the trends for assessing these measures.

Basically, we would like to highlight that the Compliance function, especially from the AML point of view, should represent a business actual support and not an encumbrance. In this way, compliance and business should go in the same direction, which is business development in a safe and legal environment.

Key words: anti-money laundering, counter terrorist financing, risk assessment, risk exposure, compliance, financial institutions, best practices.

JEL Classification: B41, C80, G21, G32

* Corresponding author, **Codescu Ioana Ana Maria** – anacodescu@yahoo.com

The author is employed as Head of Trade Finance AML Monitoring Group within Commerzbank AG. The opinions and analyses presented in this paper are solely owned by the author and do not have to be interpreted as owned by Commerzbank AG.