



Wolfsberg FAQs on Source of Wealth (SOW) & Source of Funds (SOF)

The Wolfsberg Group issued FAQs on SOW and SOF this month, mainly targeting Financial Institutions' Private Banking/Wealth Management customer segment.

The guidance documents the 'how' and 'when' of conducting SOW and SOF for customers and also gives insight as to how this information can be used for decision-making.

Wolfsberg also published a statement on Developing an Effective AML/CTF Programme which covers prioritising areas of risk, resources and active engagement with law enforcement.



Global

FATF's public consultation to extend Recommendation 1 to identify and assess risks related to proliferation financing

The FATF is considering proposals for amendments to [Recommendation 1 and its Interpretive Note](#) to require countries and the private sector to identify and assess the risks of potential breaches, non-implementation or evasion of the targeted financial sanctions (TFS) related to proliferation financing.

FinCEN release guidance on politically exposed persons (PEP) in the US

FinCEN have published [guidance](#) on the Bank Secrecy Act due diligence requirements for customers who may be considered PEPs. This is an interesting read, especially in contrast to FATF guidance on PEPs.

UK

The FCA proposes expanding the scope of AML/CTF annual reporting requirements

The Annual Financial Crime Report (REP-CRIM) provides the FCA with information and data about the firm's systems and controls in preventing financial crime. The FCA has proposed that the scope of firms is expanded to include firms that carry on regulated activities that they consider potentially pose a [higher money laundering risk](#).

HM Treasury has given ministerial approval for the new Joint Money Laundering Steering Group (JMLSG) Guidance

The updated [guidance](#) includes the new Sector 22 Cryptoasset exchange providers and custodian wallet providers.

EU

European Commission set out plans for a comprehensive Union policy on preventing money laundering and terrorist financing

EU Member States have been responsible for interpreting the EU Money Laundering Directives and implementing those into national law. However, the European Commission has expressed the need for better implementation of the existing rules and a more detailed and harmonised rulebook. The Commission has set out an [action plan](#) to deliver these objectives.

Latvia's financial regulator, the Financial and Capital Markets Commission(FKTK) has published a list of [recommendations](#) for banks and other financial institutions aimed at producing improvements in the areas of internal control and customer due diligence.

Both Ireland and Belgium have implemented 5AML in August.

Additional insights

The "Cyprus Papers" reveals how the Cypriot golden passport scheme is being exploited by criminals and fugitives. Al Jazeera's Investigative Unit has obtained a major leak of documents showing how criminals are using the Cypriot citizenship-by-investment scheme to buy their way into the EU.

EUROPOL have produced a [report](#) on highlighting the involvement of organised crime groups in sports corruption. It is a reminder that industries that may appear low risk for financial crime can be exploited by criminals for their financial gain.

We are a consultancy with expertise in using financial and regulatory technology to combat financial crime.