

**TOP 12 QUESTIONS FOR
CREDIT UNIONS DIRECTORS
TO ASK THEIR
CHIEF ANTI-MONEY LAUNDERING OFFICER**

THE **aml**SHOP.

**Top 12 Questions for Credit Union Directors to ask their
Chief Anti-Money Laundering Officer**

1. What are the key vulnerabilities of the credit union to money laundering, based on: its region; what we have observed in our own monitoring and reporting; what we have learned from our peers; and what we have read in authoritative publications?
2. Which member types and products and services pose the greatest money laundering risk to the credit union? Do we, for instance, deal with clients in these sectors (how can we be certain we don't), and how do we control the risk of their activities? Are any of these activities beyond our risk tolerance?
 - a) Alternative financial services providers – principals and agents (money services businesses, cheque cashing, payday lenders, foreign exchange dealers, cryptocurrency companies, prepaid card players, ATMs)
 - b) Cash-intensive businesses
 - c) Cannabis related businesses
 - d) Firms or lawyers, accountants, or corporate service providers
 - e) Gaming related businesses
 - f) Dealers in high-value goods
 - g) Adult services and goods
3. What are the controls we lean on the most to limit our vulnerabilities, how are they tested, and what have the results been of the most recent tests?
4. Does the CAMLO have sufficient training, resources and access to ensure their role is performed effectively, even during their absences, and considering existing issues log and changes to standards? Are they willing to so certify?
5. Have there been any material changes in regulatory reporting trends (large cash transaction reports, electronic funds transfer reports, suspicious transaction reports), in terms of volume, dollar value, and timeliness? What explains those variations?
 - a) What was the nature of the activity disclosed in suspicious transaction reports?
6. How have we ensured that technology that we use to risk rate clients, monitor their transactions, and file regulatory reports are configured properly to address salient risks, and operate effectively?
7. How have we ensured that third parties have acted in accordance with our standards, including, for instance, agents and service providers.
8. What were the nature of, and how have we dealt with sensitive AML situations?
 - a) Requests from law enforcement or revenue agencies?
 - b) Repeated suspicious transaction reports involving one member?
 - c) Demarketing of clients?
 - d) Employees who have not completed their training, or have repeatedly failed to apply policies and procedures?

9. What have been the outcomes of interactions with prudential regulators and FINTRAC regarding anti-money laundering compliance, including results of examinations, policy interpretations and voluntary disclosures?
10. What are the qualifications of the individual conducting the compliance effectiveness review, what as the scope and methodology of their review, have their findings been challenged/contradicted by regulators in their prior examinations of the credit union?
11. What evidence do we have that material findings from prior self-assessments, compliance effectiveness reviews, and regulatory examinations are being addressed?
12. What changes in the legislation or guidance around anti-money laundering will cause a material impact to our credit union?