

# The Two-Phased Process Logic of Directives

Presented by

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# AGENDA



**Background & Scope of Directive Types**



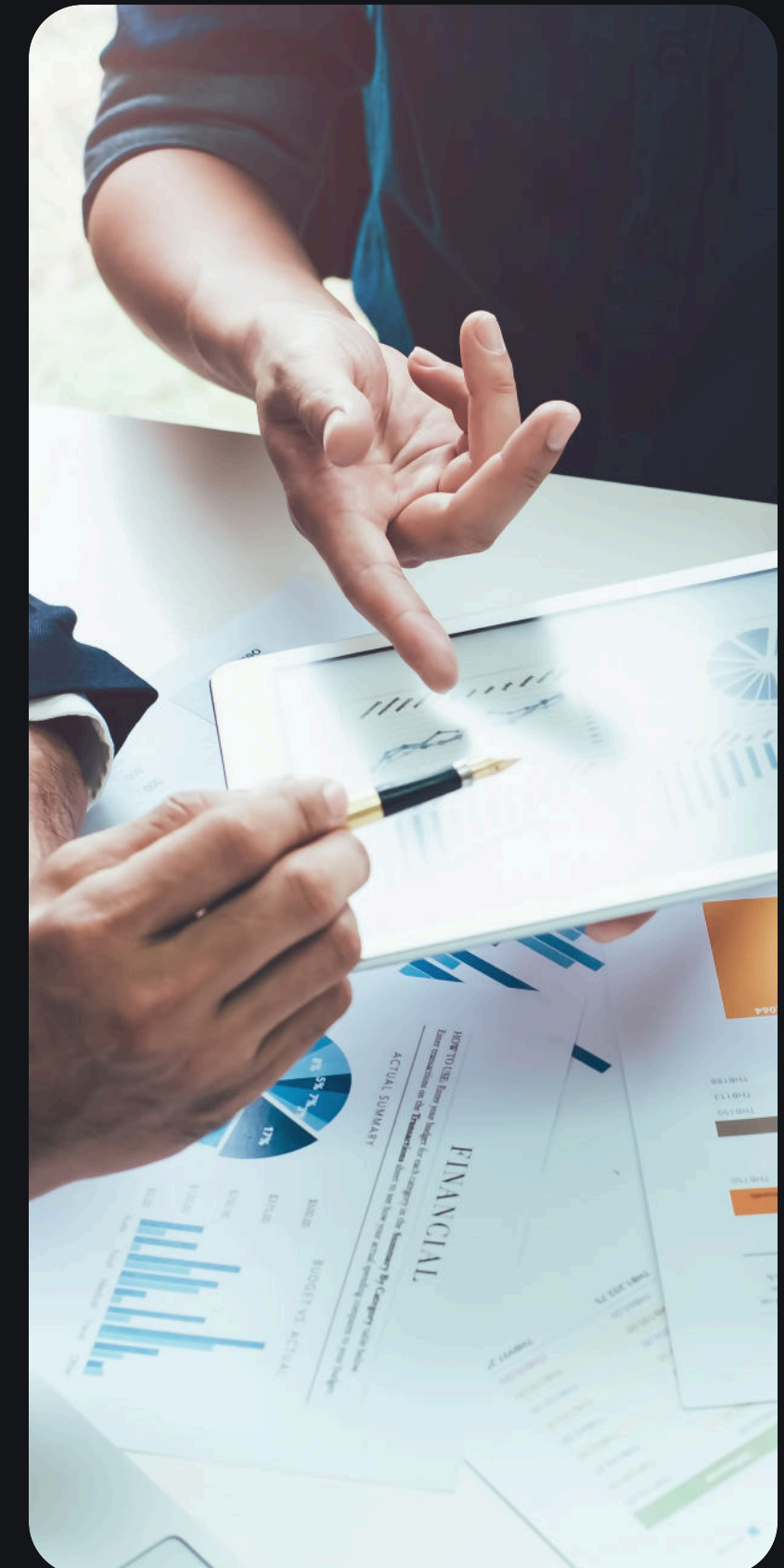
**The Process Logic of Directives**



**A Closer Look at Testing Methodologies**



**Proactive Integration & Enforcement as a Compliance Partner**



# BACKGROUND ON DIRECTIVE TYPES

## *OVERVIEW, SCOPE AND TYPE*

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### Type of Directive

**Follow-Up Directives**

**Remediation Directives**

### Seriousness of Breach

**More serious and systemic**

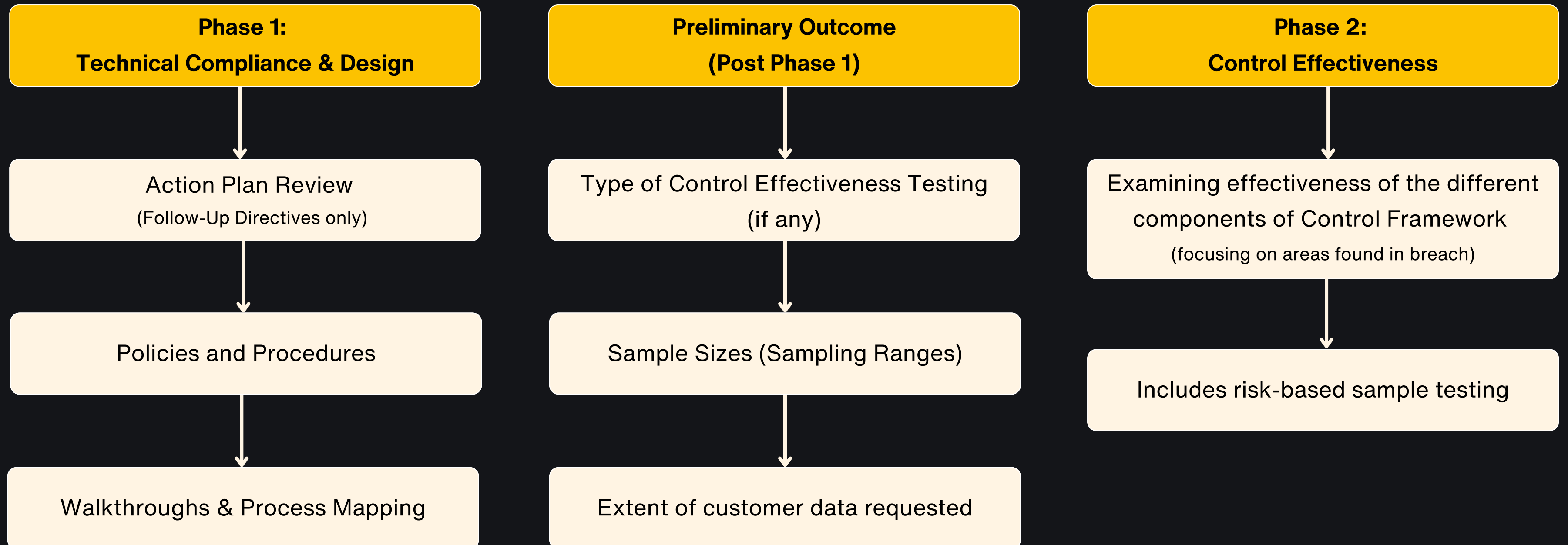
**Less serious and systemic**

# BACKGROUND ON DIRECTIVE TYPES

## *OVERVIEW, SCOPE AND TYPE*

Remediation Directive	Follow-up Directive
3 – 9 months to adhere to FIAU’s request	Up to 10 weeks to provide Action Plan
No Action Plan Required	Action Plan and timeframes for completion are endorsed by the FIAU
One off Meetings	Frequent meetings between FIAU and SP
Minimal requests for information/ documentation	Multiple requests for information/ documentation
Requests for clarifications (if required)	Multiple requests for clarifications
Small sample of files (if required)	Sample of files

# TESTING AND THE PROCESS LOGIC





# PHASE 1 – TECHNICAL COMPLIANCE & DESIGN

## Action Plan\*

- Planned / Completed Remedial Actions on all Breaches
- Clarity & Concision
- Timelines
- Action Point Owners
- Supporting Documentation

\*Follow-Up Directive only



# PHASE 1 – TECHNICAL COMPLIANCE & DESIGN





## **PHASE 1 – TECHNICAL COMPLIANCE & DESIGN**

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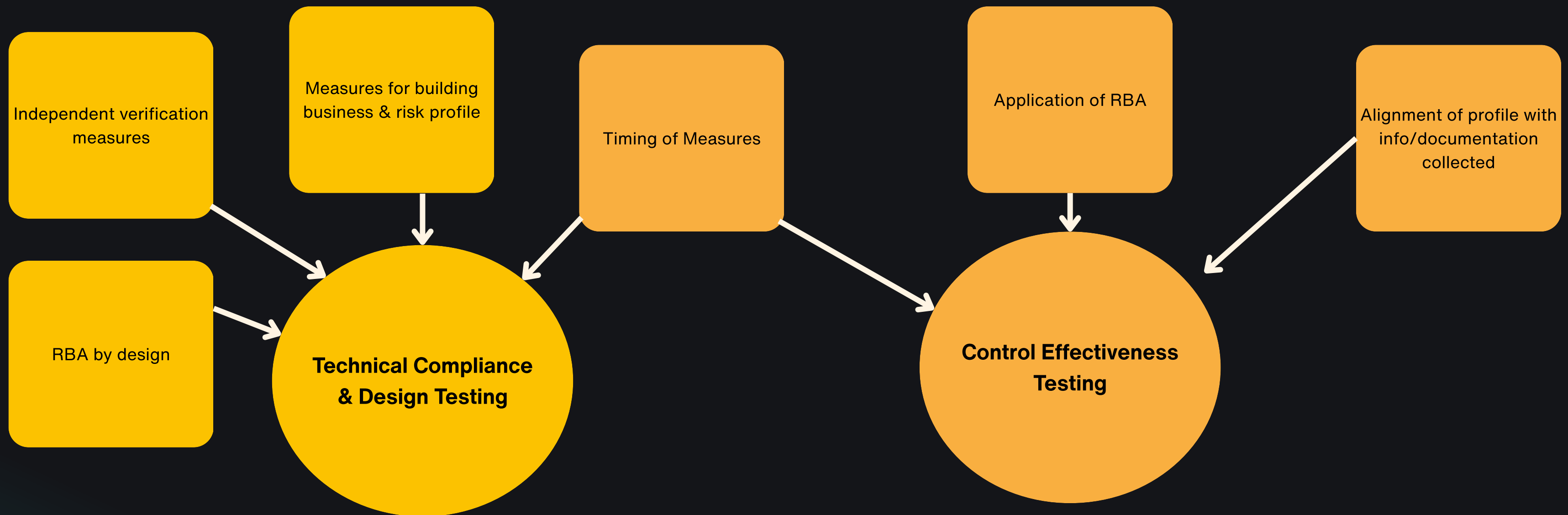
# PHASE 2 – CONTROL EFFECTIVENESS TESTING

Outcome of Phase 1 & Type of Directive		
If customer file sample to be requested	Extent and type of customer data	Customer sample size

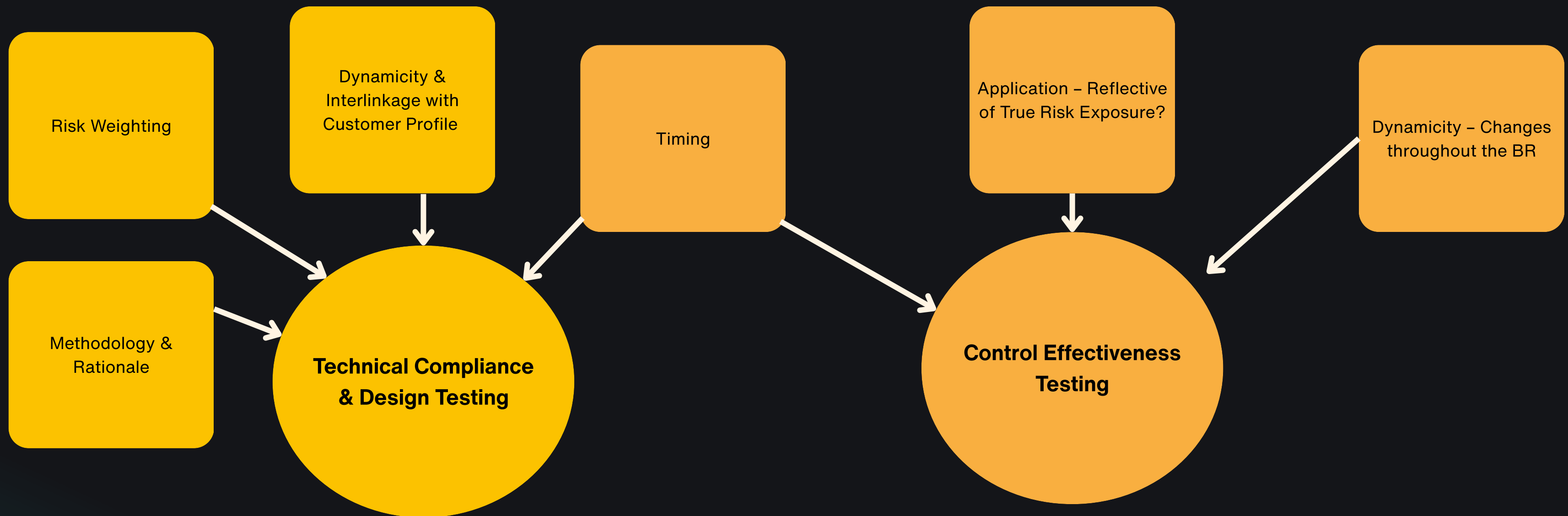


Phase 2				
File Testing of Onboarding, Customer Profiling, CRA, CDD / EDD, OM	Testing of Alerts Handling (Pre and Post TM)	Testing on Customer Profile Creation and Changes	Testing on Record Keeping	Testing on Data Integrity

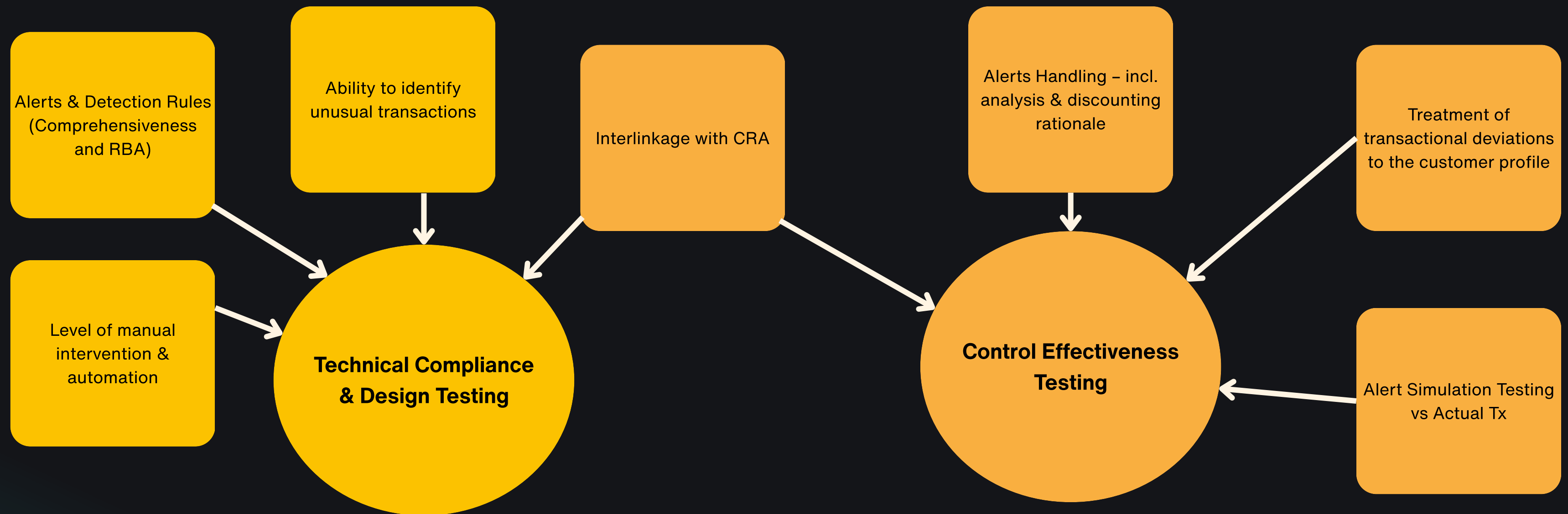
## TESTING EXAMPLES: CDD (ID&V AND CUSTOMER PROFILING)



# TESTING EXAMPLES: CRA

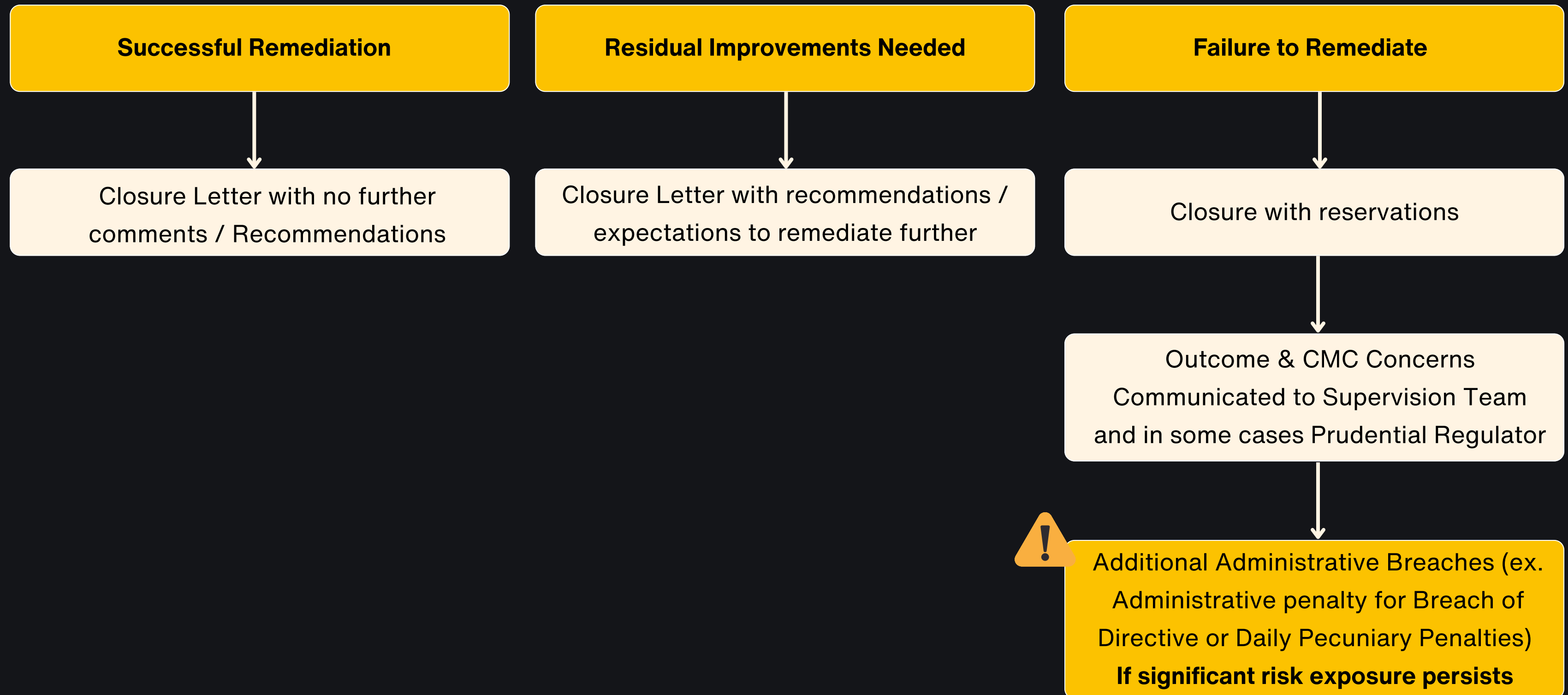


# TESTING EXAMPLES: TRANSACTION MONITORING





# CONCLUSION OF DIRECTIVES



# PROACTIVE INTEGRATION OF THE PROCESS LOGIC

## Opportunities following this Session



Internal Control Enhancements



Risk Assessment & Risk Management



Compliance Management



Proactive Remediation



Lessons Learnt



Integration of AML/CFT in Audit Cycle

TESTING  
METHODOLOGIES  
PHASE 1    PHASE 2

Do not wait to be subject to a Directive to get your house in order. Think Proactively!

# ENFORCEMENT AS A COMPLIANCE PARTNER



**Enforcement is not about the past - it's about the future.**



**Directives: Not a verdict, but a blueprint for change.**



**Proactive engagement leads to better results.**



**The reputational cost of inaction is significant.**



# Thank you!