



# Anti-Money Laundering (AML): Quick Reference Cheatsheet

## Key AML Requirements Checklist

### 1. Customer Due Diligence (CDD) Essentials

- Verify customer identity (name, DOB, address)
- Identify beneficial owners ( $\geq 25\%$  ownership)
- Determine customer risk level
- Screen against sanctions lists
- Document source of funds
- Verify business purpose

### 2. Enhanced Due Diligence (EDD) Triggers

▶ Required for:

- High-risk customers
- Politically Exposed Persons (PEPs)
- High-risk countries
- Complex ownership structures
- Unusual transaction patterns
- Private banking relationships


### 3. Transaction Monitoring Red Flags

▲ Watch for:

- Structured transactions (just below reporting thresholds)


- Rapid movement of funds
- Round number transactions
- Multiple accounts with similar patterns
- Unusual cross-border activity
- Cash-intensive businesses
- Dormant account sudden activity
- Shell company involvement

## 4. Required Reports

 Key Regulatory Filings:

- SAR (Suspicious Activity Report)
  - File within 30 days of detection
  - Don't inform customer
- CTR (Currency Transaction Report)
  - Required for transactions  $\geq$ \$10,000
  - Aggregate related transactions
- FBAR (Foreign Bank Account Report)
  - For accounts  $>$ \$10,000 outside US

## 5. Record Keeping Requirements

 Maintain for 5 years:

- Transaction records
- Customer identification
- Due diligence documents
- Investigation files
- Training records
- Compliance reports

# Risk Assessment Matrix

## Customer Risk

LOW	MEDIUM	HIGH
Regular retail	Business banking	PEPs
Local resident	Non-resident	Offshore entities
Employed	Self-employed	Cash-intensive business
Clear purpose	Complex needs	Unclear purpose

## Geographic Risk

LOW	MEDIUM	HIGH
Local	Regional	FATF grey list
Regulated	Partial controls	Sanctions list
Stable	Developing	High corruption

## Product Risk

LOW	MEDIUM	HIGH
Retail account	Business account	Private banking
Direct deposit	Wire transfers	Crypto services
Domestic	International	Bearer instruments

# Common Money Laundering Schemes

## 1. Placement Techniques

- Cash deposits
- Currency exchange
- Casino chips/gaming
- Purchase of assets

## 2. Layering Methods

- Wire transfers
- Shell companies
- Invoice manipulation
- Trade-based schemes

### 3. Integration Strategies

- Real estate investment
- Luxury purchases
- Business investment
- Securities trading

## Quick Response Guide

### If You Spot Suspicious Activity:

1. Don't tip off the customer
2. Document everything
3. Notify AML officer
4. Preserve evidence
5. Follow internal procedures

### Emergency Contacts

- AML Officer: [Insert contact]
- Compliance Hotline: [Insert number]
- Regulator Hotline: [Insert number]

## Key Regulatory Thresholds

Transaction Type	Threshold	Action Required
Cash Transaction	≥\$10,000	File CTR

Multiple Cash	≥\$10,000/day	Aggregate & file CTR
Suspicious Activity	Any amount	File SAR
Wire Transfers	≥\$3,000	Record keeping
Foreign Accounts	>\$10,000	File FBAR

## Compliance Best Practices

### Daily Tasks

- Review alerts
- Check watchlists
- Monitor high-risk customers
- Document decisions
- Update customer profiles

### Monthly Tasks

- Review SAR/CTR filings
- Update risk assessments
- Check regulatory updates
- Review procedures
- Update training materials

### Annual Requirements

- Staff training
- Independent audit
- Risk assessment review
- Policy updates
- Board reporting

Remember: When in doubt, escalate to your AML officer! Better to report than ignore.

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▲ Note: Thresholds and requirements may vary by jurisdiction and institution. Always refer to your organization's specific policies and procedures.

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## About This Resource

This AML Cheatsheet is provided by Faisal Khan LLC as a public service for professionals in the banking, payments, and financial services industry. For more comprehensive resources and expert insights:

- Visit our website: <https://faisalkhan.com>
- Explore our Banking, Money and Payments Wiki:  
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