Standard Chartered Bank - Global Anti-Money Laundering Risk Assessment Framework

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Version: 4.1
Applicable Jurisdiction: Global

1.0 Risk Assessment Methodology

1.1 Customer Risk Rating System

Clause 1.1.1: All customers must be assigned a risk rating based on a comprehensive assessment methodology that considers:

- Geographic risk (including jurisdictions with inadequate AML/CFT controls)
- Business type and nature of products/services
- Transaction patterns and behavioral analysis
- Beneficial ownership structures

1.2 Enhanced Due Diligence Triggers

Clause 1.2.1: Enhanced Due Diligence (EDD) must be applied to customers identified as high-risk, including:

- Politically Exposed Persons (PEPs) and their immediate family members
- Customers from high-risk jurisdictions as identified by the FATF
- Entities with complex ownership structures that obscure beneficial ownership
- Customers engaged in cash-intensive businesses

2.0 Technology and Innovation Integration

2.1 Digital Identity Verification

Clause 2.1.1: The Bank shall implement digital identity verification solutions that leverage biometric authentication and document validation technologies to enhance customer identification processes while reducing onboarding friction.

2.2 Transaction Monitoring Systems

Clause 2.2.1: Advanced analytics and machine learning algorithms must be employed to detect suspicious transaction patterns, including:

- Structuring transactions to avoid reporting thresholds
- Rapid movement of funds through multiple accounts
- Transactions inconsistent with customer profiles
- Potential links to sanctioned entities or jurisdictions

3.0 Regional Risk Considerations

3.1 East African Regional Specifics

Clause 3.1.1: For operations in Kenya and neighboring East African Community (EAC) countries, the Bank must consider region-specific risks including:

- Cross-border cash movement within the EAC trade corridor
- Specific vulnerabilities in emerging digital payment ecosystems
- Regional terrorism financing threats and patterns

3.2 Correspondent Banking Relationships

Clause 3.2.1: All correspondent banking relationships must undergo enhanced scrutiny with particular attention to:

- The respondent bank's AML/CFT controls and regulatory compliance history
- Geographic risk of the respondent bank's operations
- Nature and volume of transactions processed through the relationship

4.0 Regulatory Compliance and Reporting

4.1 Regulatory Change Management

Clause 4.1.1: The Bank must maintain a proactive regulatory change management process that:

- Monitors emerging AML/CFT regulations across all jurisdictions of operation
- Assesses impact of regulatory changes within 30 days of announcement
- Implements necessary control enhancements within 90 days of regulatory effectiveness

4.2 Suspicious Activity Reporting

Clause 4.2.1: All employees must immediately report any suspicious transactions or activities to the Global Financial Intelligence Unit (GFIU) through designated reporting channels, with reports submitted to relevant regulatory authorities within mandated timeframes.