

Address:Block 3, Commerce Square
No 39 Rivonia Road,
Sandton**Email:**lethubuhle@corporatcounsel.co.za

HOW TO EVALUATE AML RISK ACCORDING TO GEOGRAPHY

In terms of the AML Risk based methodology, one of the risk factors an Accountable Institution (AI) has to consider is geographic areas. This may be the client's domicile, source of funds/ flow of funds or product origination. The question that needed to be answered is whether there is a single list that AI's could resort to in determining how to risk rate a particular geographic location.. The short answer is that there is no single list that AI's can rely upon. The Financial Action Task Force listings regarding Money laundering, Terrorist Financing and proliferation financing risk per geographical area is a the best starting point. AI's should also look out for advisories issued by the Financial Intelligence Centre. The Guidance note lists certain criteria that must be taken into account in assessing any particular geographic area, for example whether the area is a member of FATF, whether it has been listed by the EU or UN for non compliance etc. Please note that as an AI you must include this criteria in your AML Risk Management and Compliance Plan.

[Click here to review to read the full guidance note.](#)