

Solution spotlight | AUPs for AML/CFT/CPF annual reviews

Kingdom of Bahrain | 13 December 2022



With an increased focus on anti-money laundering (AML), countering the financing of terrorism (CFT) and countering proliferation financing (CPF) risks in financial institutions, the Central Bank of Bahrain (CBB) requires financial institutions to independently review the quality of their AML/CFT/CPF procedures, systems and controls - as well as compliance with Bahrain's anti-money laundering law and the CBB's financial crime (FC) module. Annual reviews must conform with the agreed upon procedures (AUP) template introduced by the CBB.

CBB requirements

Financial institutions regulated by the CBB - including conventional and Islamic banks, insurance companies, investment businesses and specialised licensees - are required to submit an AML/CFT/CPF review to the CBB every year - with reviews for the financial year ending on or before 31 December due by 30 June of the following year. These independent reviews must be conducted by CBB-approved auditors or third-party consultants. **Keypoint Solutions w.l.l. has been approved by the CBB to perform independent reviews.**

Keypoint's approach

Keypoint's proprietary approach - based on leading practice, the deep expertise of our financial regulatory compliance (FRC) team and a cutting-edge ability to concentrate on what really matters - focuses on:

- Analysing AML/CFT/CPF frameworks - including governance structures, policies and procedures, designated personnel, authorities, AML/CFT/CPF monitoring and reporting
- Reviewing systems - including screening, transaction monitoring, on-boarding and record retention systems - and testing samples
- Benchmarking AML/CFT/CPF frameworks against CBB requirements - including an AML/CFT/CPF KPI framework

- Analysing material gaps between current practice and CBB requirements
- Synthesising findings in a review which is discussed with relevant stakeholders
- Developing a report for external regulators

Keypoint's FRC team

Keypoint's FRC team includes knowledgeable financial services professionals with extensive experience across financial crime, compliance, AML and risk management. Our team uses its deep insight to develop practical approaches that help clients to comply with regulatory obligations while creating value by providing efficient and cost-effective solutions. Our unique FRC solutions are focused on four key areas:

- Compliance
- Anti-money laundering (AML), countering the financing of terrorism (CFT) and countering proliferation financing (CPF) risks
- FATCA/CRS compliance
- Corporate governance

For more information on our FRC team and our proprietary approach, contact us.

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