
Advanced Certificate in Sanctions and Trade Embargoes in International Business

Managing Financial Crimes and Sanctions Compliance

A

AML. Anti-Money Laundering. A set of procedures, laws, and regulations designed to stop the practice of generating revenue through illegal activities.

Anti-Money Laundering (AML) Program. A set of policies, procedures, and internal controls designed to detect, prevent and report money laundering activities.

Automated Screening. The use of technology to screen customers and transactions against sanctions lists and other relevant databases.

B

Beneficial Owner. The natural person who ultimately owns or controls a legal entity.

Bribery. The offering, giving, receiving, or soliciting of something of value as a means to influence the actions of an individual or organization.

C

Correspondent Banking. A banking arrangement where a bank (correspondent bank) provides services on behalf of another bank (respondent bank), such as handling transactions and maintaining accounts.

Corruption. The misuse of public power for private gain.

Customer Due Diligence (CDD). The process of identifying and verifying the identity of customers, as well as assessing the risks associated with doing business with them.

Cybercrime. Criminal activities committed using the internet or other forms of computer networks.

D

Derisking. The process of reducing or terminating business relationships with customers or categories of customers to avoid risks associated with financial crimes.

Due Diligence. The process of investigating and evaluating a customer or business relationship to ensure compliance with laws and regulations, and to manage risks associated with financial crimes.

E

Embargo. A government order prohibiting commerce and trade with a specific country or group.

Enhanced Due Diligence (EDD). A more detailed and rigorous form of customer due diligence, typically required for high-risk customers or business relationships.

F

FATF. The Financial Action Task Force. An intergovernmental organization founded in 1989 to combat money laundering and terrorist financing.

FCPA. The Foreign Corrupt Practices Act. A US law that prohibits the bribery of foreign officials to obtain or retain business.

Financial Crime. Any illegal activity involving financial transactions, including money laundering, fraud, corruption, and cybercrime.

Financial Crime Compliance. The processes and procedures put in place by financial institutions to prevent, detect, and report financial crimes.

Fraud. The use of deception, trickery, or dishonesty to obtain an unfair or unlawful advantage.

K

Know Your Customer (KYC). The process of identifying and verifying the identity of customers, as well as assessing the risks associated with doing business with them.

L

Listed Entity. A person or organization that has been placed on a sanctions list or other relevant database.

M

Money Laundering. The process of making illegally-gained proceeds appear legal, often involving three stages: placement, layering, and integration.

Monitoring. The ongoing review and assessment of customer transactions and behavior to detect and prevent financial crimes.

Sanctions. Measures imposed by governments or international organizations to restrict or prohibit commercial activity with a specific country, group, or individual.

Screening. The process of checking customers and transactions against sanctions lists and other relevant databases to ensure compliance with laws and regulations.

T

Terrorist Financing. The provision or collection of funds with the intention of using them, or knowledge that they will be used, to carry out terrorist activities.

Trade-Based Money Laundering. The use of international trade to launder money, often involving the misrepresentation of the price, quantity, or quality of goods.

Trade Embargoes. Restrictions on trade with a specific country, group, or individual, often imposed as a form of economic sanction.

Treasury. The department or agency responsible for managing a country's financial resources, including the implementation and enforcement of financial sanctions.

U

UN. The United Nations. An intergovernmental organization founded in 1945 to promote peace, security, and cooperation among nations.

UN Sanctions. Sanctions imposed by the United Nations Security Council, typically targeting countries, organizations, or individuals involved in activities such as terrorism, weapons of mass destruction, or human rights abuses.

W

Whistleblower. An individual who reports suspected illegal or unethical activities within an organization.

Wire Transfer. An electronic transfer of funds between banks, often used for cross-border transactions.