



# Cross-Border Settlement Manipulation Detection Checklist for AML/CFT



## 1. Introduction

Cross-border settlement manipulation refers to illicit activities involving the distortion of legitimate securities or fund transfers across different jurisdictions. These schemes often exploit differences in regulatory frameworks, operational blind spots, or international transaction complexity.

Also known as: Cross-jurisdictional trade settlement abuse, Securities settlement laundering

**Used for:** Finalizing securities trades between financial institutions located in different countries

**Abuse in ML/TF/PF:** Used to layer illicit funds across jurisdictions, obscure ownership trails, exploit time-zone gaps and inconsistent AML oversight

## 2. Applicability

### **Financial Institutions (FIs):**

- Banks
- Investment Firms
- Custodians
- Central Securities Depositories (CSDs)
- Broker-Dealers

### **Designated Non-Financial Businesses and Professions (DNFBPs):**

- Law Firms (handling cross-border asset transfers)
- Dealers in Precious Metals and Stones (DPMS) (handling cross-border asset transfers)
- Trust and Company Service Providers (TCSPs) (handling cross-border asset transfers)
- Auditors and Accountants (handling cross-border asset transfers)
- Lawyers, Notaries, and Other Legal Professionals (handling cross-border asset transfers)
- Real Estate Brokers and Agents (handling cross-border asset transfers)

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## 3. How to Use This Checklist

- Front-line teams should use it to validate client declarations and identify anomalies in trade volumes or patterns.
- Compliance officers should integrate this checklist in trade monitoring scenarios.
- Transaction monitoring teams must cross-reference flagged transactions with checklist indicators.
- MLROs can use this checklist during enhanced due diligence reviews and internal investigations.

## 4. Cross-Border Settlement Manipulation Detection Checklist for AML/CFT

### A. Customer Profiling

**Yes** **No**

Has the customer declared involvement in cross-border securities trades?

 

Are settlement jurisdictions aligned with the customer's operational profile?

 

Is there a logical economic rationale for cross-border settlement activity?

 

### B. Transaction Validation

Are the trade counterparties reputable and verified through customer due diligence?

 

Do settlement instructions match declared fund flows?

 

Are international transfers routed through known and regulated channels?

 

### C. Jurisdictional Risk

Does the settlement involve high-risk or sanctioned jurisdictions?

 

Are there time-zone manipulations or end-of-day rush transactions?

 

Are transactions split across jurisdictions to obfuscate value or source?

**D. Securities Type Check**

**Yes** **No**

Are the traded instruments illiquid or unusually structured?

Are any shell companies or special purpose vehicles involved?

Do the instruments have inflated or unverifiable valuations?

**E. Trade Patterns**

Are trades circular or repeatedly settled without economic gain?

Do settlement values spike during known regulatory reporting periods?

Is there layering of transactions between jurisdictions without clear purpose?

**F. Documentation and Records**

Are all settlements backed by appropriate trade confirmations and SWIFT messages?

Are discrepancies between trade date and settlement date explained and documented?

Are foreign exchange conversions accurately recorded and traceable?

**G. Training and Oversight**

Are transaction monitoring staff trained in cross-border abuse techniques?

Is there a periodic review of cross-border trade policies?

Are alerts from foreign regulators or partners evaluated and escalated?

**Worried about the Next Steps or Cross-Border Settlements?**  
Speak to us for tailored AML support and clarity.

**Call Us Now!**

## 5. How a RACI Matrix Enables Task Delegation and Role Clarity

- Helps identify who is accountable for transaction review vs. who performs verification.
- Clarifies escalation paths when red flags arise in international trade reviews.
- Aids in breaking silos between compliance, trading desks, and settlement teams.
- Promotes proactive ownership in detecting unusual patterns across jurisdictions.

## 6. RACI Chart for Detecting, Escalating, & Reporting Cross-Border Settlement Manipulation Red Flags

A RACI chart is a responsibility delegation matrix used by businesses to chart individual roles and responsibilities within teams. RACI stands for and defines who is “Responsible”, “Accountable”, “Consulted”, and “Informed” in the context of specific tasks.

### How the RACI Framework Helps?

- Encourages defined accountability for each stage of cross-border review.
- Reduces ambiguity in ownership of complex settlement scrutiny.
- Enables efficient investigations and responses when anomalies arise.

Activity	Front Office	KYC Analyst	Transaction Monitoring Analyst	AML Compliance Officer/ MLRO	Senior Management
Profile customer’s cross-border activity	C	C	R	A	I
Verify settlement jurisdictions	C	C	R	A	I
Evaluate counterparties and instruments	C	C	R	A	I
Monitor red flags in trade behavior	N/A	R/C	R/C	A	I
Escalate unusual transactions	N/A	C	R	A	I
Audit cross-border documentation	C	C	R	A	I
Train staff on cross border transaction abuse scenarios	I	I	R/C	R/A	I

**Role confusion can lead to reporting delays under UAE FIU expectations.**

We help you build clarity with a bespoke RACI.

[Book Your UAE AML Process Review](#)

## 7. Actionable Points for Businesses to Enhance Cross-Border Settlement Manipulation Risk Mitigation Measures

### **In-House Compliance Department Setup**

- Establish jurisdictional risk rules for cross-border transactions.
- Integrate SWIFT data reconciliation tools to monitor settlements.
- Schedule quarterly internal audits focusing on international settlements.

### **Role-Specific AML Training**

- Train trade desk and back-office on typologies of cross-border abuse.
- Simulate suspicious trade flows for transaction monitoring analysts.
- Provide scenario-based training for MLROs on multi-jurisdiction escalation.

## 8. Best Practices: Checklist + RACI-Driven Implementation

- Use automated anomaly detection on settlement times and values
- Integrate IT systems with compliance platforms for auditability
- Mandate declarations for purpose and counterparties of foreign trades
- Apply enhanced due diligence for trades involving high-risk jurisdictions
- Regularly test and review controls through RACI ownership
- Establish secure communication paths with foreign settlement partners.

**Build your in-house compliance, map roles clearly, and upskill teams to identify settlement red flags.**

**Call us Now!**

## AML Compliance Simplified!

AML UAE is an Anti-Money Laundering (AML) consulting firm with decades of experience supporting businesses across the UAE.

We have expertise in providing various AML services to DNFBPs, such as Lawyers, Real Estate Agents, Accountants and Auditors, Dealers in Precious Metals and Stones, and Company Service Providers. We also provide AML consultancy services to Virtual Asset Service Providers.

We are equipped to help you register on the goAML portal. We conduct Enterprise-Wide Risk Assessments and align your AML/CFT policies and procedures in line with them. We design customized forms and templates for carrying out KYC, Customer Risk Assessment, and Enhanced Due Diligence for your customers. We help you prepare and submit reports like SAR, STR, FFR, PNMR, HRC, HRCA, DPMSR, etc. We ensure that your employees are well-trained from an AML perspective.

Not just this, we assist regulated entities with decoding the Remedial Action Plan and effectively implementing the authority's recommendations around the AML program.

AML UAE is your go-to partner for handling all your compliance-related requirements.

Once we enter the picture, AML compliance is ensured. With that, you can continue to be a highly reputed business, actively striving to counter money laundering, terrorist financing, and proliferation financing.

## Our Team



### Pathik Shah

*Founder*

CAMS, FCA, CISA, CS, DISA (ICAI), FAFP (ICAI)

Pathik is a Chartered Accountant with proven experience in governance, risk, and compliance. He helps companies with end-to-end AML compliance services, from conducting Enterprise-Wide Risk Assessments to implementing robust AML compliance frameworks. He has played a pivotal role as a functional expert in developing and implementing RegTech solutions for streamlined compliance.



### Jyoti Maheshwari

*Partner*

CAMS, ACA

Jyoti is a Chartered Accountant and Certified Anti-Money Laundering Specialist (CAMS), with extensive hands-on experience in regulatory compliance, legal advisory, policy-making, tax consultation, and technology project implementation. Jyoti holds experience with Anti-Money Laundering regulations prevalent across various countries. She helps companies with risk assessment, designing and deploying adequate mitigation measures, and implementing the best international practices to combat money laundering and other financial crimes.

## Our Team



### Dipali Vora

*Partner*

CAMS, ACS

Dipali is an Associate member of ICSI and a Certified Anti-Money Laundering Specialist (CAMS). She has a strong background in the compliance domain, including Anti-Money Laundering, due diligence, secretarial audit, and managing scrutiniser functions. She currently assists clients by advising and helping them navigate through all the legal and regulatory challenges of Anti-Money Laundering Law. She helps companies to develop, implement, and maintain effective AML/CFT and sanctions programs.



### Purva Buch

*Senior Consultant*

CAMS, LLB

Purva is a Certified Anti-Money Laundering Specialist (CAMS) and a Lawyer. She has substantial knowledge of Anti-Money Laundering Laws, Rules, Regulations, and AML Compliance Processes. Purva has been instrumental in drafting RegTech processes, corporate policymaking, and fulfilling various legal research and drafting requirements arising from AML laws and regulatory technology.

## Service Matrix

Service	Common Drivers							Value Proposition
	Ensure legal compliance	Save time and costs	Need expert support	Automate compliance processes	Implement best practices	Crisis management	Change AML/CFT consultant	
goAML Registration	✓		✓					Streamlines the process of registering with the UAE FIU goAML portal. Ensures compliance and reduces administrative burden.
Enterprise-Wide Risk Assessment	✓	✓	✓		✓		✓	Identifies risk factors, gross risk, controls deployed and their effectiveness, residual risk, and need for additional controls.
AML/CFT Policy Drafting	✓	✓	✓		✓		✓	Provides tailored AML/CFT policy frameworks that are up-to-date with current laws, enhancing regulatory compliance.
In-house Compliance Department Set-up	✓		✓		✓		✓	Establishes a robust internal compliance structure, helps recruit the right resources and ensures ongoing compliance efficiency.
KYC Managed Services	✓	✓	✓		✓	✓		Outsourced KYC processes that speed up customer onboarding and maintain high compliance standards.
Ongoing AML/CFT Consulting	✓	✓	✓	✓	✓	✓	✓	Continuous expert advice tailored to address specific challenges, enhancing overall compliance strategies.
AML/CFT Health Check	✓		✓		✓	✓	✓	Conducts comprehensive reviews and assessments to pinpoint vulnerabilities and recommend improvements.
AML Training	✓	✓	✓		✓		✓	Offers comprehensive training programs that enhance the compliance skills of employees at all levels.
AML Software Selection	✓	✓	✓	✓	✓			Helps choose the best AML software that fits the company's needs, improving efficiency and cost-effectiveness.
Screening Software Validation	✓		✓	✓	✓			Tests and validates screening tools to ensure they meet regulatory requirements and operational needs.
Regulatory Reporting	✓	✓	✓		✓		✓	Streamlines the process of creating and submitting SAR, STR, PNMR, FFR, DPMSR, REAR, HRC, and HRCA reports accurately and on time.

# AMLVerse

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<p><b>AML Consultants.us</b></p> <p>Your trusted partner in simplifying AML compliance, ensuring regulatory adherence and protecting your business.</p> <p><a href="http://amlconsultants.us">amlconsultants.us</a></p>	<p><b>aml ksa</b></p> <p>At the core of our business is ensuring AML/CFT compliance for yours.</p> <p><a href="http://amlksa.com">amlksa.com</a></p>	<p><b>aml bahrain</b></p> <p>Our priority is your peace of mind – ensuring AML/CFT compliance is how we deliver it</p> <p><a href="http://amlbahrain.com">amlbahrain.com</a></p>	<p><b>aml muscat</b></p> <p>Timely service, flawless compliance, and peace of mind – your AML/CFT partner you can trust</p> <p><a href="http://amlmuscat.com">amlmuscat.com</a></p>
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