



Checklist

# Checklist to Identify the Insider Threats for a Robust AML/CFT Compliance Framework



## Introduction

Insider threat refers to the risk posed by an individual or a group of individuals within the entity, such as employees or executives, within the organization, who misuse their position to manipulate AML/CFT controls to facilitate their aides in furthering Money laundering (ML), Terrorism Financing (TF) and Proliferation Financing (PF) through the organization they are working for. These insider threats are considered dangerous as they can bypass internal controls and exploit the trust-based mechanism within the Regulated Entity.

**Insider Threats leave a major impact on the governance of the Regulated Entity, as it can**

- ◆ Compromise the integrity of Customer Due Diligence and undermine transaction monitoring efforts
- ◆ Disrupt the trust in internal controls and the whistleblower system
- ◆ Triggers regulatory penalties and reputational damages.

Insider Threats are not just operational risks. They are compliance failures. Their detections and mitigations are crucial for maintaining the integration of AML framework.

### Also known as:

Internal Threats, Rogue Employees, Insider Complicity in AML Failures

### Used for:

Identifying and mitigating risks posed by employees or internal actors in financial institutions who may abuse their access or authority to facilitate Money Laundering or obstruct AML controls.

### Abuse in ML/TF/PF:

Insiders can manipulate transaction monitoring, falsify KYC documentation, suppress SARs, or alert/tip-off customers under investigation, enabling laundering or Terrorist Financing activities to remain undetected.

## Applicability

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### Financial Institutions (FIs):

- ◆ Banks, Credit Unions, Payment Service Providers, Securities Brokers, Insurance Firms

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

- ◆ Lawyers, Accountants, Real Estate Agents, Trust & Company Service Providers

## How to Use this Checklist

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- ◆ **For front-line teams:** Be alert to internal behaviors such as overriding AML alerts, bypassing standard procedures, or showing unusual interest in high-risk clients.
- ◆ **For AML Compliance Officers:** Use this checklist during audits, investigations, and staff reviews to identify internal gaps and the development and enforcement of internal controls, employee screening, and whistleblower systems.
- ◆ **For Transaction Monitoring Teams:** Cross-reference transaction anomalies with employee access logs to detect internal compromise.
- ◆ **HR:** integrate behavioral monitoring (lifestyle change, periodic review, etc.).
- ◆ **Internal Audit:** Independently test inside threat safeguards.



# Insider Threat Risk Mitigation: Yes/No-Style Checklist for Testing AML Compliance Controls

## A. Access and Authorisation Controls

|   | Yes                      | No                       |
|---|--------------------------|--------------------------|
| Are employee access rights limited based on job responsibilities?   | <input type="checkbox"/> | <input type="checkbox"/> |
| Is there segregation of duties in AML systems and processes?        | <input type="checkbox"/> | <input type="checkbox"/> |
| Are override permissions and admin privileges logged and monitored? | <input type="checkbox"/> | <input type="checkbox"/> |
| Are unused accountants promptly deactivated?                        | <input type="checkbox"/> | <input type="checkbox"/> |

## B. Monitoring Employee Behaviour

|   | Yes                      | No                       |
|---|--------------------------|--------------------------|
| Is employee transaction activity monitored for red flags?           | <input type="checkbox"/> | <input type="checkbox"/> |
| Are employees subject to periodic background and credit checks?     | <input type="checkbox"/> | <input type="checkbox"/> |
| Are whistleblower policies and channels established and accessible? | <input type="checkbox"/> | <input type="checkbox"/> |
| Is the staff lifestyle review conducted?                            | <input type="checkbox"/> | <input type="checkbox"/> |

## C. Training and Awareness

|  | Yes                      | No                       |
|--|--------------------------|--------------------------|
| Are staff trained to identify insider threat behaviours?             | <input type="checkbox"/> | <input type="checkbox"/> |
| Is there a mandatory AML code of conduct acknowledgement?            | <input type="checkbox"/> | <input type="checkbox"/> |
| Are refresher trainings on insider threat risks conducted regularly? | <input type="checkbox"/> | <input type="checkbox"/> |
| Is training Role Specific (Front office, HR, IT, Compliance)         | <input type="checkbox"/> | <input type="checkbox"/> |

## D. Incident Reporting & Escalation

|   | Yes                      | No                       |
|---|--------------------------|--------------------------|
| Are suspicious internal behaviours reportable to compliance/MLRO?     | <input type="checkbox"/> | <input type="checkbox"/> |
| Is there a defined escalation protocol for insider risk incidents?    | <input type="checkbox"/> | <input type="checkbox"/> |
| Are all internal SARs logged and reviewed by independent parties?     | <input type="checkbox"/> | <input type="checkbox"/> |
| Is tipping off explicitly prohibited and reinforced through training? | <input type="checkbox"/> | <input type="checkbox"/> |



## E. Technology and Surveillance

|  | Yes | No |
|--|-----|----|
| Are user logs and system access tracked with alerts for anomalies?                       |     |    |
| Is AI or anomaly detection used for monitoring internal fraud patterns?                  |     |    |
| Are employee communications with clients monitored for conflict of interest or tip-offs? |     |    |

## F. Disciplinary and Legal Measures

|   | Yes | No |
|---|-----|----|
| Is there a zero-tolerance policy for insider breaches?                  |     |    |
| Are legal actions documented and disclosed where required?              |     |    |
| Are terminated insiders blacklisted across access systems?              |     |    |
| Are repetitive violations tracked to commutatively for risk escalation? |     |    |

**The Hidden Risk in  
AML Compliance, Insider Threats**

Learn to Spot Signs Early

[Contact Us Now](#)

# How a RACI Matrix Enables Task Delegation and Role Clarity

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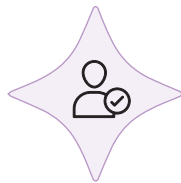
## What is RACI?

A RACI is a simple but powerful chart which helps Regulated Entities to clearly define roles and responsibilities within the team

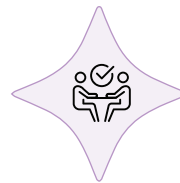
RACI stands for



**R - Responsible**



**A - Accountable**



**C - Consulted**



**I - Informed**

## Purpose of RACI

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- ◆ Clarifies responsibilities for internal monitoring, reporting, and escalation.
- ◆ Helps define boundaries between compliance, HR, and IT regarding employee surveillance.
- ◆ Ensures whistleblower protection is owned by a dedicated, accountable role.
- ◆ Avoids duplication or blind spots during internal threat investigations.

## How the RACI Framework Helps?

It establishes operational clarity between departments. By identifying who is accountable, it reduces ambiguity in responding to insider risks. This promotes faster incident response and ensures proper internal controls are in place and enforced consistently.

| Activity                          | Compliance Team | IT Security | HR Department | MLRO | Line Manager |
|-----------------------------------|-----------------|-------------|---------------|------|--------------|
| Monitor staff system access       | C               | R           | I             | A    | I            |
| Conduct background checks         | I               | I           | R             | C    | A            |
| Flag suspicious employee behavior | C               | I           | C             | A    | R            |
| Internal SAR review               | R               | I           | I             | A    | C            |
| Employee AML training             | A               | I           | R             | C    | C            |
| Whistleblower program oversight   | C               | I           | A             | R    | I            |

# Action Points for Regulated Entities to Strengthen Insider Threat Detection for AML Compliance

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## In-House Compliance Department Setup

- ◆ Implement integrated monitoring across IT, HR, and compliance.
- ◆ Conduct quarterly reviews of insider activity risk metrics.
- ◆ Mandate insider threat simulation testing.

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## Role-Specific AML Training

- ◆ Include real-life insider case studies in training modules.
- ◆ Train supervisors to identify behavioural red flags.
- ◆ Introduce role-based access control awareness training.



# Best Practices: Checklist + RACI-Driven Implementation

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- ◆ Enforce strict role-based access and monitor privilege escalation.
- ◆ Integrate HR, compliance, and IT systems for real-time risk signals.
- ◆ Require conflict of interest declarations annually.
- ◆ Conduct anonymous staff surveys to uncover internal sentiment.
- ◆ Mandate whistleblower anonymity and protection protocols.
- ◆ Benchmark insider threat KPIs and link to internal audit.
- ◆ Revalidate staff access post-transfer, promotion, or termination.
- ◆ Escalate repeated or high-impact violations directly to senior compliance.

## Ready to Build a Strong AML Framework

Equip your Teams with Practical Steps to  
Manage Insider Threats and Stay Audit Ready

[Contact Us Now](#)

## About AML UAE

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**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, CNMR, 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

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### 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

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### 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, CNMR, DPMSR, REAR, HRC, and HRCA reports accurately and on time. |

## AMLVerse


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|--|---|--|--|
| <p><b>aml singapore</b></p> <p>AML/CFT compliance ensured with precision and expertise. Safeguarding your business at every step</p> <p><a href="https://amsingapore.com">amsingapore.com</a></p>                        | <p><b>AML Consultants.UK</b></p> <p>UK's first choice for AML, CFT, and CPF compliance and consulting.</p> <p><a href="https://amlconsultants.uk">amlconsultants.uk</a></p> | <p><b>aml india</b></p> <p>Enjoy peace of mind as AML/CFT compliance is ensured with professional guidance and proven solutions</p> <p><a href="https://amlindia.in">amlindia.in</a></p> | <p><b>aml australia</b></p> <p>Protecting Australia's financial landscape with trusted AML compliance solutions</p> <p><a href="https://amlaustralia.com">amlaustralia.com</a></p>     |
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 [info@amluae.com](mailto:info@amluae.com)