



 Checklist

# Checklist for Recognising Disguising of Funds to Ensure Robust AML/CFT Compliance

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**aml uae**  
COMPLIANCE MADE EASY

## Introduction

The disguising of funds involves the deliberate concealment of the source, flow, ownership, or control of financial assets to facilitate illicit activities such as Terrorism Financing (TF) and Money Laundering (ML). Criminal networks exploit the extensive reach and rapid transaction capabilities of FIs, DNFBPs and VASPs to move funds covertly. This misuse often involves complex layers of intermediaries or third parties, making it difficult to trace the ultimate beneficiary.

These activities compromise the integrity of Regulated Entities and pose a significant threat to national security. Detecting these concealment methods is crucial for protecting your operations and contributing to the broader fight against terrorism financing. By implementing robust detection procedures, Regulated Entities can strengthen their defences and uphold stringent regulatory expectations.

### Also known as

Fund Movement  
Typologies, Financial  
Layering, Third-Party  
Abuse in Terrorism  
Financing.

### Used for

Identifying red flags,  
detecting suspicious  
transactions, and  
strengthening internal  
controls.

## Applicability

### Financial Institutions (FIs):

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

- Real Estate Brokers
- Notaries and Law Firms
- Accountants and Auditors
- Trust and Company Service Providers
- Precious Metals and Stones Dealers

### Virtual Assets Service Providers (VASPs)

## How to Use This Checklist

#### Frontline Staff

To identify unusual transactions at the point of customer interaction, such as those involving complex intermediaries or frequent, unexplained cross-border payments.

#### Compliance Teams

To evaluate fund movement patterns against known ML/TF red flags and ensure due diligence measures are adequate.

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### Transaction Monitoring Analysts

To cross-reference customer profiles with beneficiaries and intermediaries, investigating alerts for potential layering.

### AML Compliance Officer/ MLRO

To review escalated Suspicious Transaction Reports (STRs) with a specific focus on fund disguising techniques and make the final determination for reporting.

### Senior Management

To gain an overview of TF risks, ensure adequate resource allocation, and foster a strong compliance culture.

## Strengthen Your Defence Against ML/TF

Ensure your controls are resilient against sophisticated fund disguising techniques.

[Book a Consultation](#)



# Checklist for Identifying Unusual Transactions and Fund Disguising

## 1. Transaction Analysis & Monitoring

	Yes	No
Are transactions, particularly cross-border transfers, systematically monitored for common <b>structuring and layering</b> techniques?		
Are repeated, <b>low-value transfers</b> from multiple parties to a single beneficiary automatically flagged for review?		
Are there controls to identify and review transactions potentially linked to <b>informal value transfer systems</b> or high-risk virtual assets?		
Are payments routed through <b>unrelated third parties</b> without a clear economic or legal purpose automatically flagged for investigation?		

## 2. Due Diligence on Clients & Intermediaries

	Yes	No
Is the <b>source of funds</b> and wealth robustly verified for all high-risk clients and transactions involving high-risk jurisdictions?		
Are all relevant transaction parties, including agents and intermediaries, effectively <b>screened against updated sanctions</b> and terrorist lists?		
Are business relationships with third-party intermediaries or correspondent entities (where applicable) periodically reviewed for their exposure to terrorism financing risk?		

### 3. Scrutiny of Ownership & Control

	Yes	No
Is <b>Enhanced Due Diligence (EDD)</b> consistently applied when the Ultimate Beneficial Owner (UBO) is obscured by complex legal structures or nominees?		
Are potential <b>shell companies</b> (identified by a lack of physical presence or legitimate business activity) detected and escalated for investigation?		
Are <b>pass-through accounts</b> with high volumes of inflows and outflows, but low net change, investigated for potential layering?		

### 4. Reporting & Escalation

	Yes	No
Are all potentially suspicious ML/TF activities promptly <b>escalated to the MLRO</b> according to internal policy?		
Are filed <b>STRs/SARs</b> comprehensive and clearly articulate the indicators of terrorism financing typologies?		
Is the prohibition against <b>"tipping off"</b> strictly enforced and regularly reinforced through mandatory staff training?		

# How the RACI Matrix Enables Task Delegation and Role Clarity

The RACI matrix is a responsibility assignment chart that defines and clarifies roles within a process. It ensures every task is assigned clear ownership, improving efficiency and accountability.

**R = Responsible**

The person/team who performs the work.

**A = Accountable**

The individual who is ultimately answerable for the task's correct completion (there should only be one 'A').

**C = Consulted**

Subject matter experts who provide input.

**I = Informed**

People kept up-to-date on progress or outcomes.

## Purpose of this RACI:

- ◆ Clarifies the roles and responsibilities within the team
- ◆ Helps define roles between the Frontline team, AML Compliance Officer/ MLRO and Transaction Monitoring Analysts
- ◆ Improves operational efficiency with clearly assigned roles and decision making

## How RACI Framework Helps

The RACI chart enables businesses by reducing ambiguity, streamlining workflow and improving communication. It ensures that there is no duplication of efforts and no overlapping in workload.

# RACI Chart for Detecting, Escalating & Reporting Disguising of Funds

Activity	Frontline Staff	Compliance Team	AML Compliance Officer/ MLRO	Transaction Monitoring Analyst	Senior Management
Monitor Transactions for Red Flags (e.g., Layering)	I	C	A	R	I
Conduct Due Diligence on Clients & Intermediaries	R	A	C	I	I
Investigate Complex Ownership Structures (UBO)	C	R	A	I	I
Identify & Escalate Internal Alerts	R	C	A	R	I
Review Escalations and File STRs/SARs	I	R	A	C	C
Conduct AML/CFT Staff Training	I	R	A	C	C
Approve AML/CFT Policies & Framework	I	C	R	I	A

## Implement a Framework of Accountability

We can help you integrate this RACI matrix into your operational workflow

[Contact us Now](#)

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# Action Items for Regulated Entities

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## Core Monitoring & Investigation

- ◆ **Conduct Enhanced Due Diligence (EDD):** Apply deeper scrutiny to high-risk customers, complex ownership structures, and unusual transactions.
- ◆ **Implement Continuous Transaction Monitoring:** Maintain real-time surveillance to detect suspicious patterns or anomalies as they occur.
- ◆ **Cross-Reference Against Sanctions Lists:** Ensure all parties involved in a transaction are screened against updated global and domestic databases.
- ◆ **Thoroughly Investigate Red Flags:** Systematically examine all indicators of potential terrorism financing, documenting every step of the investigation.

## Advanced Controls & Intelligence Sharing

- ◆ **Implement AI-Driven Monitoring:** Utilise advanced technology to detect sophisticated layering and disguised relationships across multiple entities.
- ◆ **Mandate UBO Verification:** Ensure the mandatory and robust verification of the UBO is completed before processing transactions, especially for remittances.
- ◆ **Share Intelligence:** Collaborate with FIUs and other competent authorities to report emerging threats and typologies related to third-party abuse.

## Best Practices: Checklist and RACI-Driven Execution

- ◆ **Adopt a Risk-Based Approach** to allow for the proportionate allocation of compliance resources to areas of highest risk.
- ◆ **Implement Robust Cross-Border Controls**, with a particular focus on monitoring transactions involving high-risk jurisdictions.
- ◆ **Enhance Monitoring Protocols** specifically designed to detect financial layering and structuring techniques.
- ◆ **Verify UBOs Stringently**, especially when intermediaries or complex legal arrangements are involved.
- ◆ **Engage with International Standards** from bodies like the FATF to ensure your controls meet global regulatory expectations.
- ◆ **Stay Updated** on emerging TF typologies through continuous training and industry engagement.
- ◆ **Utilise Advanced Analytics** and technology to stay ahead of evolving terrorism financing networks.

### Move from Detection to Prevention

Embed these best practices into your AML programme to stay ahead of emerging threats

[Schedule a Demo](#)

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## 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 customised 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



### 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.

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## 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.

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## 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="https://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="https://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="https://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="https://amlmuscat.com">amlmuscat.com</a></p>
<p><b>PRO AML</b></p> <p>Guiding budding AML/CFT professionals to ignite their potential and excel in compliance leadership</p> <p><a href="https://proamltraining.com">proamltraining.com</a></p>	<p><b>aml job</b></p> <p>Connecting AML talent with global opportunities for financial integrity</p> <p><a href="https://recruit.amljob.com">recruit.amljob.com</a></p>	<p><b>aml faqs</b></p> <p>Ask, Answer, Comply: Your one-stop hub for AML/CFT compliance knowledge</p> <p><a href="https://amlfaqs.com">amlfaqs.com</a></p>	<p><b>Technovisors</b></p> <p>IT Consultants &amp; Digital Marketing Consultants to help you focus on your business</p> <p><a href="https://technovisors.com">technovisors.com</a></p>
<p><b>N NIYEAHMA</b></p> <p>We help regulated entities with End-to-End AML Compliance</p> <p><a href="https://niyehma.com">niyehma.com</a></p>			



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