

CDD RULE - POLICIES PROCEDURES TRAINING AND TESTING

Speaker 1: Welcome back to our discussion on the new CDD Rule. Now that we're on the road and we've conducted a gap analysis, created a project plan, communicated with IT, and socialized the CDD Rule with the business, what's the next stop on the road to CDD Rule compliance? The next step is to develop, revise, or update your processes and procedures. Are they risk-based, and do they address what percentage of beneficial ownership should be collected for higher-risk customers? Do they identify how and where the customer risk profile is maintained, and what trigger events may require a refresh? Do they include ongoing monitoring for all customers, not just legal entity customers? Do they consider how to address exemptions, including controls and training to ensure the exemptions are not being improperly applied? Do they document the collection of beneficial ownerships certifications for new accounts? Do they address impacts to other policies and procedures, such as OFAC compliance and CTR filing? And do they consider record retention?

Speaker 1: Some other considerations that need to be factored in are which systems and processes for continuous monitoring must be updated. Also, review and update any applicable account opening packages as needed. Consider testing the implementation of the revised policies and procedures about three to six months after implementation, to ensure processes are working as planned.

Speaker 1: After about three to six months, you should have enough implementation time to test, but also spot potential issues before too much time passes. This bears repeating when it comes to implementation. Keep it simple. Consider phased implementation approach. Formalize governance and documentation for the decisions made in implementing the Rule, and educate key stakeholders, and train impacted staff.

Speaker 1: Finally, you may wish to create FAQs or client talking points for businesses, Customer Service, and Sales staff who will need to respond to client questions.

Speaker 1: Thank you for joining us on this road to CDD Rule implementation. Watch in the final video of this series to see how outside advisors like Navigant can help you through the process.

About Navigant

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