

# Businesses need to assess money laundering risk more frequently

In a recent industry presentation to credit unions and mutual banks in Australia, by Arctic Intelligence, a provider of financial crime prevention audit, risk and compliance software, an audience poll found that many businesses vulnerable to money laundering and other financial crime may not be conducting a comprehensive risk assessment often enough. While half of businesses surveyed said that they conduct an annual money laundering risk assessment, many are only doing it every two to three years.

Arctic Intelligence Business Development Manager, Imelda Newton says, "It's reassuring to see that businesses are conducting regular risk assessments, but we're concerned that many may not be doing it often enough and face greater risk exposure. While anti-money laundering and counter-terrorism financing (AML/CTF) legislation doesn't specify how frequently a risk assessment should be done, our recommended best practice is that an assessment is done at least once a year, and whenever an identified trigger occurs. Some of these triggers include the launch of a new product or service, using a new product distribution channel, or expanding into a new geographical territory."

"We're hearing from the regulators that they have heightened concern regarding the frequency and quality of AML/CTF risk assessments. The downstream impact of a poor risk assessment can be significant." says Newton.

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