AML for CSA version 1.1.0 Release Notes

Release Date	November 2021 (exact date to be announced)
What's New?	**(1) The PEP Private Check**

The upcoming release of AML for CSA concentrates mostly on the management of PEP identification. By doing so, we have incorporated the "PEP Private" database into version 1.1.0. The way of using the PEP Private Check is simple, which is similar to the Sanction Check.

(2) The PEP Control Center

This function is specifically designed for compliance officers (or supervisors). Instead of going through client by client, entity by entity, compliance officer can monitor the whole PEP database in the following manners:

- ☑ Identify which task is still outstanding.
- ☑ Sign off any outstanding task using record verification.
- ☑ Examine and evaluate all PEPs or Sanctioned entities on file.

(3) Record Verification

A new [Verify] button, representing a new sub-function to the "Records" menu is added as well.

Update Notification	We will notify you via email when the newest version is ready for distribution. You will be led to a designated Download page.

Download Instructions will also be provided.

What is "PEP Private Check"?

The PEP Private Check is a search function based on a "private" database maintained by P & L Associates that is restricted only to AML system users. Initially, we have entered about 2,300 records for most, if not all, famous and known politically connected persons in Hong Kong and China according to the FATF requirements. AML system users can add their own PEP records to this Private database and shared them with other AML system users. We expect the list will grow exponentially once this new function is started to implement.

How it works? When an AML system users identifies a person in his CSA database as a PEP and that person does not exist in the PEP Private database, the system will create a new page for that individual. For security and privacy purpose, we only record the person's name and his or her one-way encrypted identification to the system.

What is "PEP Control Center"?	The purpose of setting up this Control Center is to allow compliance officer (or supervisors) to see "everything" in one place. Instead of going into each client or entity page, compliance officer can call up the control center and see which task that needs to be done but still not done, which task is in progress and which task is completed and needs review and verification.

Record Verification	By using this new feature, compliance officer can view and verify ALL saved records that are usually prepared by field officers. It allows field officer to complete all the required work while talking to client and compliance officer can see all the outstanding works and verify all completed works in one central place.

Questions from AML System Users

Questions on Sanction Search	A User asked:
	After sanction checked one of our client's directors "Mr. Zhang XXX", we got a matching result (please see attached).
	We would like to ask: -
	What is "US 16XXX" / "UID 16XXX"? Different?
	What are "US", "UID", "SDN", "SDNTK" and "a.k.a."? Full names?
	"Remarks (Linked To: XXX LIMITED)" – Does it means that Mr. Zhang also got a post in XXX Ltd?
	If Mr. Zhang matched one of the UID, then he is on the sanctions list?

Please advice.

"Mr. Zhang XXX " is on the OFAC's sanction list.

Details:

Type:	Individual		List:	SDN
Last Name:	ZHANG		Program:	SDNTK
First Name:			Nationality:	
Title:			Citizenship:	China
Date of Birth:			Remarks:	(Linked To XXX LIMITED)
Place of Birth:		China		

Identifications:

Type	ID#	Country	Issue Date	Expire Date
Chinese Commercial Code				
National ID No.		China		
Passport		China		
Passport		China		

Our Answers

1. "US" is "United States", and "UID" stands for "Unique Identification Number". They used interchangeably in the databases. Therefore basically they mean the same thing.

2. "SDN" stands for "Specially Designated Nationals". "As part of its enforcement efforts, OFAC publishes a list of individuals and companies owned or controlled by, or acting for or on behalf of, targeted countries. It also lists individuals, groups, and entities, such as terrorists and narcotics traffickers designated under programs that are not country-specific. Collectively, such individuals and companies are called "SDNs". Their assets are blocked and U.S. persons are generally prohibited from dealing with them."

   "SDNTK" is the name of the Program. The Specially Designated Nationals or SDNs are sanctioned under the Foreign Narcotics Kingpin Sanctions Regulations 31 C.F.R. part 598.

   "a.k.a" means "also known as", something like alias, the usual name(s) other than the legal name. For example, our famous actor 陳港生 is the legal name. However, he is better known as Jackie Chan or 成龍.

3. "Linked to XXX Limited" means XXX Limited is also under sanctioned and the sanctioned individual is related to this company.

4. According to your search result, yes. Your referred Mr. Zhang XXX is sanctioned under the FOREIGN NARCOTICS KINGPIN SANCTIONS REGULATIONS.

Proposed Solutions	A User suggested: To beef up the PEP function for searching, saving, and warning for EDD.

We have discussed about this issue among many AML system users. Finally, we came up with the following solutions:

1. Setting up a PEP Private database to be shared among all AML system users.
2. AML system users can conduct periodic check of PEP private check of the specific or entire CSA database.
3. User can view the entity's PEP information and CDD status in CSA.

Thanks users for letting us know of their problems so that we can improve the system for convenience. |
| **Question on Form T05 KYC**

Proposed Solutions | A User asked:

Can we put the T05 KYC Form into the system?

There are two choices:

1. To treat the T05 Form as like a Client's Certification.
2. To include the T05 Form into the KYC/CDD system.

We will include it into the usual KYC/CDD system for its simplicity and easy to store for reference, notwithstanding there is a slight setback that the information required from the form is a lot more than just a simply Yes or No answer. |
| **Questions Before Subscription (and our Answers)** | We have received an enquiry from a prospective subscriber about fees and usage of the system. We think many people would have questions alike. Therefore, we would like to list our answers here for clarifications.

(1) 如果我們只有少量的潛在客戶資料，例如姓名及身份證明號碼，我們能夠先為潛在客戶進行制裁查核及政治人物查核？還是一定要齊備所有必須填寫的資料才可以進行查核？

For Sanction Check and PEP Private Check, you can do the following:

Individual Check – this can be done by just inputting the name and/or identification number for sanction check, and name or related person for PEP Private Check.

Client/Entity Check – you need to first select the client or entity, then the system will do the checking.

Whole CSA database Check – this is a comprehensive check with minimal client input.

If the system doesn't return the person as PEP but you think so, it only means that our PEP Private database does not contain that person in the list. You can still use the preset Google or Baidu search to find out more about the person and "mark" that person as a PEP. Once you do it, the PEP Private database will include that person for later reference. |

(2) 進行查核的數量有沒有限制？還是只要是已輸入在 CSA 內的客戶及公司就可以進行查核？

There is no limitation on the number of searches. Also, there is no restriction on whether the subject under search is or is not in your CSA system. If the subject is not in CSA, the only trouble is that you will need to manually enter the subject's information in the search criteria.

(3) 關於 CSA 用戶使用 AML 系統權限，是否只有 "可以 (或不可以)" 使用 AML 系統這個選項？還是可以讓用戶進入系統查看，而不能作出查核及檢索？

System Users Settings – You can set which user can access to the AML system through the users settings in CSA.

Amend/View Settings – Anyone who has the right to access the AML will have the same right to do the amendment or search function.

(4) 假如我們有三位同事需同時登入 AML 系統 (不論只查看或進行查核)，是否要訂購三位用戶的服務費？

This is the same as in CSA. The system will count the number of users concurrently in the AML system. If the system is full (i.e. exceed the no. of license), you may need to ask an "in-system" user to logout temporarily so that you can do and complete your task.

(5) 附件的 Order Form 的收費有沒有變更？

There is no change to the fees charged listed on the original order form as of today. The list of fees is as follow:

One-time License fee: 1,800

Monthly Subscription fee:　　500 for the 1st user
　　　　　　　　　　　　　　200 for the 2nd user
　　　　　　　　　　　　　　100 for the 3rd and further users

AML system Installation fee: 900 (optional)
SQL server installation fee:　900 (optional)

(6) 關於安裝 AML 軟件需要將微軟 SQL Server 升級至 2017 版本一事，我們現時有一台電腦用作 CSA Server，請問是否指該 CSA Server 要將微軟 SQL Server 升級，而非各同事所使用的電腦升級微軟 SQL Server？

Yes, only that particular PC needs to upgrade to the 2017 or above version.