

Compliance capacity building in trade finance

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European Bank
for Reconstruction and Development



The European Bank for Reconstruction and Development (EBRD)'s Trade Facilitation Programme (TFP) provides its partner banks with training on international standards in financial crime prevention.

- ▶ EBRD partner banks have lost a great number of correspondent banking relationships in the past few years, which is hindering international trade in the EBRD regions. Smaller banks are particularly dependent on such relationships so that they can offer payment and clearing services in foreign currencies.
- ▶ Many partner banks under the TFP find it increasingly difficult to obtain trade finance facilities from foreign commercial banks, partly because of the increased cost of compliance. The importance of Know Your Customer (KYC) and Anti-Money Laundering (AML) checks and compliance grows every year as criminal and terrorist organisations become more and more sophisticated.
- ▶ It is crucial that multilateral development banks, such as the EBRD, step up their capacity-building activities to provide compliance training to local banks in their regions.

How the TFP supports capacity building in compliance

The TFP supports local banks in the economies where the Bank invests and offers specialist training for trade finance, compliance, sales and risk management for its partner banks with the aim of:

- ▶ assisting partner banks in upskilling their trade finance and compliance teams
- ▶ helping mitigate and prevent the international trend of “de-risking”
- ▶ encouraging trade finance initiatives
- ▶ preventing AML/sanctions breaches and corruption
- ▶ enhancing compliance standards
- ▶ promoting strong CDD/KYC procedures.

Training courses

- ▶ ICA Certificate in Know Your Customer and Customer Due Diligence (KYC/CDD)
- ▶ ICA Specialist Certificate in Trade Based Money Laundering (TBML)
- ▶ ICA Certificate in Financial Crime Prevention (FCP)
- ▶ ICA Certificate in Anti-Money Laundering (AML)
- ▶ ICA Specialist Certificate in Money Laundering Risk in Correspondent Banking
- ▶ ICA Specialist Certificate in Financial Crime Risk in Global Banking and Markets
- ▶ ACAMS Certified Anti-Money Laundering Specialist (CAMS)
- ▶ ACAMS Certified Global Sanctions Specialist (CGSS)

Collaborating institutions

- ▶ International Compliance Association (ICA)
- ▶ Association of Certified Anti Money Laundering Specialists (ACAMS)
- ▶ SWIFT

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Tackling the KYC and correspondent banking issues with digital solutions

To facilitate global and local financial flows and ensure their transparency, the EBRD has signed up to use SWIFT's Know Your Customer Registry and is encouraging partner banks in the EBRD regions to follow suit. The KYC Registry is a centralised repository that maintains a standardised set of information about financial institutions required for compliance with KYC obligations. It enables correspondent banks to contribute their own KYC information to a single entity rather than exchanging documents with each of

their correspondents, which facilitates efficient, transparent and easy KYC procedures for all participants. Since the beginning of the partnership between the EBRD and SWIFT, over 90 active partner banks in the EBRD regions have been on-boarded on the KYC registry.



International Compliance Association (ICA)



Since 2018 the TFP has been transforming the technical assistance model by strengthening ties with the International Compliance Association (ICA), the largest professional association of compliance specialists. This collaboration enabled EBRD partner banks to train staff to the standards of leading international banks, minimise the costs of compliance and facilitate trade in the EBRD regions. Around 850 specialists from more than 70 partner banks in selected economies where the Bank invests have taken part in the training, with more than 50 students from regulators.

Association of Certified Anti-Money Laundering Specialists (ACAMS)

In 2020 the TFP engaged with the Association of Certified Anti Money Laundering Specialists (ACAMS) to support capacity-building in Georgia, Moldova and Ukraine through events and training on sustainable AML/Counter-Terrorism Financing (CFT)/sanctions and broader anti-financial crime skills and knowledge building, including professional certification, live and online training and conferences.



Over 70 bank professionals from these three countries participated in the course and in June 2021, ACAMS (with the support of the EBRD) launched ACAMS Eurasia Chapter, bringing together members located in seven countries: Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyz Republic, Moldova and Ukraine. ACAMS chapters are local professional networks that organise regular learning and networking events to support compliance professionals' continuous study and learning in the area of compliance.

In 2022 the EBRD further extended partnership with ACAMS to provide AML/CFT/sanctions training for partner banks and regulators in Egypt, Jordan, Lebanon, Morocco, Tunisia and West Bank and Gaza, combined with the launch of ACAMS North Africa and Levant Chapter for members in the SEMED region.

Trade Based Financial Crime Compliance

In 2019 the EBRD launched an e-Learning module "Trade Based Financial Crime Compliance". Five hundred licences have been allocated for our partner banks in the economies where the EBRD invests.

Individual advisory services

The TFP offers advisory services that are tailored to the needs of each partner bank. It provides training for banks' employees on corporate governance, policies and procedures to create a strong compliance framework, which is crucial for maintaining correspondent relations with Western financial institutions and continuing international trade finance with foreign commercial banks.
