

Understanding Wolfsberg Financial Crime Principles for Correspondent Banking

On the 28th of October 2022 the Wolfsberg Group published the Wolfsberg Financial Crime Principles for Correspondent Banking.

The principles aim to:

- Promote effective risk management and enable Institutions to exercise sound business judgement with respect to their correspondent banking customers.
- Furthermore, adherence to these Principles will support the aim of Group members and the wider industry to prevent the use of global networks for criminal purposes.

In Zimbabwe has been subjected to massive wholesale derisking by Correspondent Banks such as Duetsche and Commerzbank, as such this guidance will help Respondent Banks have insights into the key risk considerations that are considered by Correspondent Banks.

Zimbabwe has also been perceived as a high-risk jurisdiction due to the following reasons.

- 👉 Targeted Sanctions
- 👉 Cost of due diligence
- 👉 Downstream clearing (Nesting)
- 👉 Concerns around Profitability
- 👉 Legal and Political Risks, etc.



The document also touches on the following aspects;

- Responsibility and oversight;
- Risk Based Due Diligence Guidelines / Considerations;
- Enhanced Due Diligence;
- Monitoring and Reporting of Suspicious Activities;
- Ongoing Review of Correspondent Banking Relationships;
- Integration with Financial Crime Compliance Programme; and
- Wolfsberg Frequently Asked Questions (FAQs) on Correspondent Banking.

As the Compliance Society of Zimbabwe, we can assist your organisations with;

- Customised Correspondent Banking training that incorporates all the fundamentals from an AML/CFT perspective.
- Conduct health checks on AML/CFT programs for your respective institutions.
- The full document can be obtained from the link below.



Wolfsberg
Correspondent Bankir