



FINANŠU UN  
KAPITĀLA  
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KOMISIJA

# The recommendations for the establishment of an internal control system for the prevention of money laundering and combating terrorism and proliferation financing, and sanctions risk management, as well as for enhancement of customer due diligence

## TARGET GROUP:

Latvian financial sector institutions

## OBJECTIVE:

To promote a common understanding of the application of laws and regulations in the financial sector in relation to the prevention of financial crime, as well as to facilitate the introduction of a risk-based approach

## THE SCOPE OF RECOMMENDATIONS



### RISK ASSESSMENT

- Assessment of money laundering and of terrorist and proliferation financing risks
- Sanctions risk assessment



### INTERNAL CONTROL SYSTEM

- Customer risk scoring
- Governance
- Training
- Internal and independent audit



### CUSTOMER DUE DILIGENCE

- Face-to-face and non-face-to-face identification
- The types of customer due diligence:
  - Simplified due diligence
  - Standard due diligence
  - Enhanced due diligence
- Beneficial owners
- Politically exposed persons
- Origin of funds/ origin of wealth
- Storage of documents
- Supervision of business relationships
- Correspondent relationships



### REPORTS AND PROVISION OF INFORMATION TO AUTHORITIES

- Financial and Capital Market Commission
- Financial Intelligence Unit (FIU Latvia)
- State Security Service

The Guide is published on the FCMC website at: [www.fktk.lv](http://www.fktk.lv)

The information in the guide will be supplemented by identifying new topics for which clarification is required