

Anti-Money Laundering Testing Services



AML Program Standards and Independent AML Testing

S.D. Daniels & Co. LLC ("SDDco-LLC"), a subsidiary of DFP Partners, provides independent testing of the Anti-Money Laundering (AML) programs of FINRA member broker-dealers and other financial institutions.

All of our testing professionals are Certified AML Specialists (CAMS) and members of the Association of Certified Anti-Money Laundering Specialists (ACAMS).

For over twenty years, SDDco-LLC has conducted independent, in-depth reviews to test conformity with applicable AML mandates. Such standards are found within the Bank Secrecy Act (BSA), USA Patriot Act of 2001, the Financial Crimes Enforcement Network (FinCEN) rules, the Office of Foreign Assets Control (OFAC) rules; and the Financial Industry Regulatory Authority (FINRA) rules.

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AML Program Standards

Consistent with BSA and other AML regulations, FINRA Rule 3310 and its amendments instruct member firms to observe AML standards. The BSA applies to all broker-dealers; there are no exceptions. SDDco-LLC also offers AML testing for investment advisors and other financial institutions, although advisors are not required by the SEC to test their AML programs.

Independent AML Testing

SDDco-LLC determines if your firm maintains and implements AML policies and procedures that address applicable regulatory requirements; have been updated to incorporate new and amended rules and regulations; have been properly authorized by senior management; and have been distributed to, and acknowledged by, all associated persons.

Independence Defined

The test must be conducted by a person who knows the requirements of the Bank Secrecy Act and its implementing regulations. However, the AML test may not be conducted by any person who performs the functions being tested, such as the designated AML compliance person, a member of your AML compliance team, or by any individual who reports to either.

Our Process

Your CAMS Certified reviewer will conduct a thorough analysis and review of your firm's AML program which will require that the tester:

- » Prepare a preliminary Firm Profile and compile a Records Request List
- » Review and assess your firm's AML procedures
- » Interview your AML staff to complete and finalize the Firm Profile
- » Review firm records, business operations, and activities to ensure the tester has a complete understanding of your firm's business

The Testing Report

Upon completion of the testing process, SDDco-LLC will provide a written report (two bound copies and PDF upon request), which will include suggestions on how your firm can remediate any findings and/or recommendations.

What Comes Next

A Pathway to Better Compliance

As a best practice and to potentially avoid citation by a FINRA examiner, SDDco-LLC is here to address any deficiencies discovered through the AML testing. Our clients who correct the findings identified in their reports inevitably go forward with a stronger, more compliant AML program.