CASE STUDY: Anti-Money Laundering

Scotiabank, as part of the global financial community conducting business around the world, is committed to preventing our products, services and delivery channels from being used to facilitate illegal activity. The Bank has developed extensive Anti-Money Laundering/ Anti-Terrorist Financing policies and procedures.

The Board of Directors is responsible for the integrity of internal controls and compliance with laws and for maintaining the Anti-Money Laundering/Anti-Terrorist Financing Program.

Scotiabank’s Chief Anti-Money Laundering Officer, who answers to senior management and the Board of Directors, implements and maintains the Anti-Money Laundering/Anti-Terrorist Compliance Program. Ron King, Scotiabank’s Chief Anti-Money Laundering Officer, explains that, across the organization, employees are motivated to implement anti-money laundering programs and policies. “First and foremost, it’s a regulatory requirement to follow the law. But perhaps more importantly, it aligns with the Bank’s core values. Scotiabank employees consider legal compliance a higher cause.”

As a bank with operations in more than 55 countries, establishing standards and building awareness and control is a complex task. All international branches and subsidiaries are required to meet Scotiabank’s stringent standards and must also comply with all applicable local laws and regulations of each jurisdiction. King explains that the Bank has been successful by centralizing transaction screenings in Canada, which helps to ensure that the Bank meets all global standards efficiently and effectively and in a balanced way. “It’s very important to ensure that our processes are minimally obtrusive to customers and employees,” says King.

Scotiabank’s efforts in anti-money laundering and anti-terrorist financing are linked to two overarching priorities: sustainable and profitable revenue growth and prudent risk management and appetite. Part of revenue growth is ensuring that we have the products and services customers want and need. The Anti-Money Laundering group works with business lines to ensure that regulatory obligations are met as efficiently as possible with every new product, service or delivery channel. Scotiabank’s risk management strategy is part of the Bank’s culture, particularly when deterring and detecting illegal activities. “We have a risk-based approach,” says King, “we work diligently to identify risk and exposure.”