



Managing Individual Customer Risk Ratings in the Platform



What is Individual Customer Risk Rating?

Individual Customer Risk Rating (ICRR) is a risk score that is applied to your client. It is based off numeric risk scores applied to client-specific attributes, and it supports a truly risk-based approach while focusing your AML resources and efforts. The ICRR is a tool that will help you identify high-risk clients whilst also justifying reduced compliance burden for low-risk clients.

When is the change coming into effect? Who does it impact?

ICRR takes effect from 1st June 2025.

It will affect how onboarding / CDD operates and will impact the following roles:

- AML Compliance Officers
- Agents/Frontline staff who onboard customers
- Admin team – who assist with the CDD process and verifications

What changes have been made to the AMLHUB?

To prepare for the ICRR requirements, the AMLHUB team has amended and created the following parts of the platform and app:

- AMLHUB ID app to include new questions relating to red flags, and multiple questions that feed into the ICRR.
- AMLHUB Desktop - we have removed some details from the 'relevant details tab' on entities and replaced them with questions relevant to the ICRR.
- Risk Level tab will be viewable within each deal within the AMLHUB. The risk is calculated based upon the answers to the relevant questions/fields.
- Client Risk register has been created, which now lists customers at the client level and indicates their risk profile.

AMLHUB ID app changes - Frontline staff process

The AMLHUB ID app onboarding process remains the same, except the below additional questions have been added:

< Handover

Transfer the AML process to your branch team. Please confirm the nature and purpose of the transaction, and designate the primary contact for follow up questions.

Red Flags?

No Yes

(0/400)

Deal value

Minimum \$100,000 ~ Maximum \$4,520,000

Property type

Commercial Lease

Transaction purpose

Downsizing

Transaction description

Agents will need to indicate if any red flags are present, and provide as much detail as possible in the notes box.

< Handover

Nakia Boehm

Foreign exposure?

Australia

High net-worth individual

Yes

Patsy Williamson

Foreign exposure?

Search...

High net-worth individual

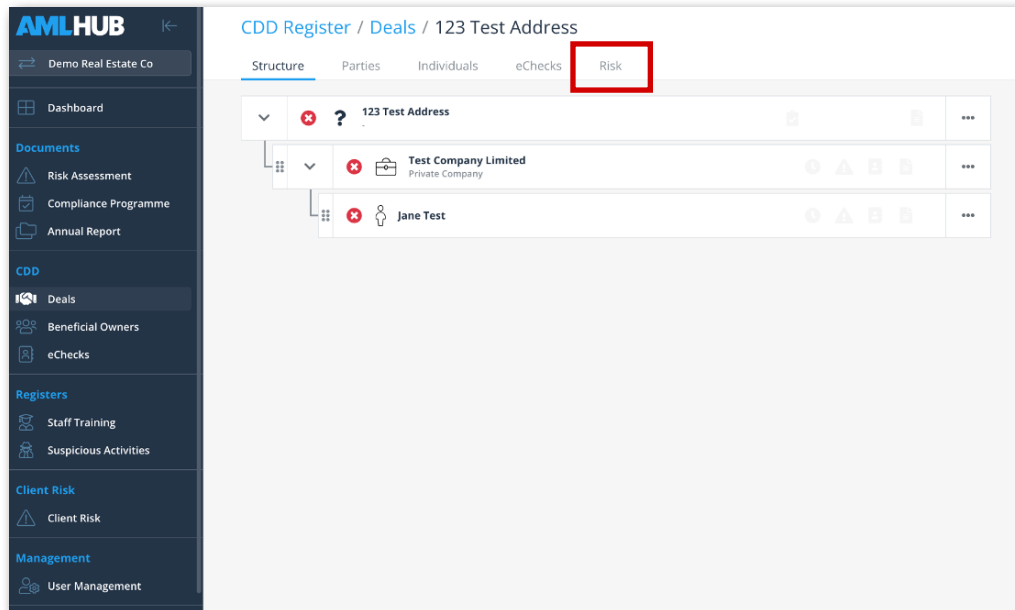
Select...

Previous Handover

Agents will need to indicate if any individual has foreign exposure, and if they are a high net worth individual.

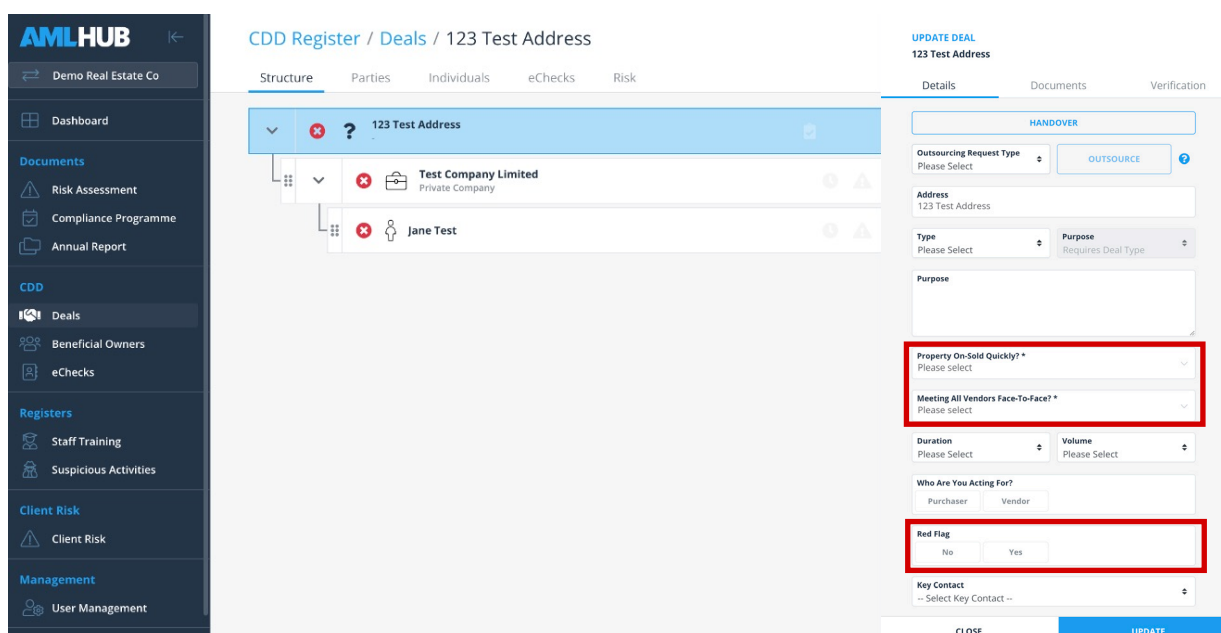
AMLHUB desktop - New risk tab

The AMLHUB desktop platform now features a new tab for risk.



ICRR questions / fields at the transaction level

At the transaction level you will be able to indicate if the property has been on-sold quickly, if you're meeting the vendor(s) face-to-face, if there are any red flags associated with the deal, and provide detailed notes.



ICRR questions - Company (client level)

At the company client level, the AMLHUB platform now has fields that address foreign exposure, layers, if it's used for personal assets, if it's a new developer, red flags, nominee directors or shareholders, and nominee status confirmed.

The screenshot displays the AMLHUB interface for a company client. The left sidebar contains navigation menus for Documents, CDD, Registers, Client Risk, and Management. The main content area shows the 'CDD Register / Deals / 123 Test Address' structure. The 'UPDATE PARTY' panel on the right is titled 'Test Company Limited' and contains several dropdown menus and checkboxes. A red box highlights the following fields:

- Foreign Exposure? Please select
- Company Has Multiple Layers Please select
- Used For Personal Assets? Please select
- Is A New Developer? Please select
- Red Flag: No (selected), Yes
- Nominee Directors Or Shareholders: Not Asked
- Nominee Status Confirmed By (Name & Title)

ICRR questions - Company (non-client level)

At the company non-client level, the AMLHUB platform now has fields that address nominee directors or shareholders and nominee status.

The screenshot displays the AMLHUB interface for a company non-client. The left sidebar is identical to the previous screenshot. The main content area shows the 'CDD Register / Deals / 123 Test Address' structure. The 'UPDATE PARTY' panel on the right is titled 'Test Company Limited' and contains several dropdown menus and checkboxes. A red box highlights the following fields:

- Nominee Directors Or Shareholders: No (selected)
- Nominee Status Confirmed By (Name & Title)

ICRR questions - Individual (client level)

At the individual client level, the AMLHUB platform now has fields where you can indicate any foreign exposure and if they are a high net-worth individual.

The screenshot shows the AMLHUB interface for updating an individual client. The left sidebar contains navigation menus for Dashboard, Documents, CDD, Registers, Client Risk, and Management. The main content area displays the 'CDD Register / Deals / 123 Test Address' structure, with 'Jane Test' selected. The right panel, titled 'UPDATE INDIVIDUAL Jane Test', contains the following fields:

- Date Of Birth: DD/MM/YYYY
- Address: Type to Search
- Email Address
- Phone Number
- Types: Please Select
- Foreign Exposure? **: None
- High-Net-Worth Individual **: Yes
- Country Of Residence: New Zealand
- Offshore Exposure Risk (PEP?): No (selected), Yes
- Red Flag: No (selected), Yes

The 'Foreign Exposure? **' and 'High-Net-Worth Individual **' fields are highlighted with a red box.

ICRR questions - Individual (client level)

At the individual client level, the AMLHUB platform now has a field that asks if there is any offshore exposure risk.

The screenshot shows the AMLHUB interface for updating an individual client. The left sidebar contains navigation menus for Dashboard, Documents, CDD, Registers, Client Risk, and Management. The main content area displays the 'CDD Register / Deals / 123 Test Address' structure, with 'Jane Test' selected. The right panel, titled 'UPDATE INDIVIDUAL Jane Test', contains the following fields:

- Date Of Birth: DD/MM/YYYY
- Address: Type to Search
- Email Address
- Phone Number
- Types: Please Select
- Country Of Residence: Please Select
- Offshore Exposure Risk (PEP?): No (selected), Yes
- Main ID Type: Please Select
- Main ID Expiry: DD/MM/YYYY
- Reference
- Notes (Optional)

The 'Offshore Exposure Risk (PEP?)' field is highlighted with a red box.

ICRR questions - Trusts (client level)

At the trusts client level, the AMLHUB platform will ask if it is a foreign or charitable trust, if there is foreign exposure, and if the trust is high risk.

The screenshot shows the AMLHUB interface with the 'UPDATE PARTY' form for 'Test Trust'. The form is divided into sections: Details, Documents, eChecks, and Verification. The 'Details' section contains the following questions:

- Name: Test Trust
- Type: Trust
- Is Foreign Trust: Please select (dropdown menu)
- Foreign Exposure?: Please select (dropdown menu)
- Is Charitable Trust: Please select (dropdown menu)
- Trust Holdings: Please select (dropdown menu)
- Are They A High Risk?: No (selected), Yes (button)

Below the questions, there are two orange warning boxes:

- You have selected a high risk party type. Risk level selection is disabled.
- High risk parties require enhanced CDD. You must obtain source of funds/wealth for verification.

At the bottom, there is a 'Red Flag' section with 'No' (selected) and 'Yes' (button) options.

ICRR questions - Trusts (Beneficial Owner, not client)

At the trusts - Beneficial Owner but not a client level, the AMLHUB platform will ask if it is high risk.

The screenshot shows the AMLHUB interface with the 'UPDATE PARTY' form for 'Test Trust'. The form is divided into sections: Details, Documents, eChecks, and Verification. The 'Details' section contains the following questions:

- Name: Test Trust
- Type: Trust
- Are They A High Risk?: No (selected), Yes (button)

Below the questions, there are two orange warning boxes:

- You have selected a high risk party type. Risk level selection is disabled.
- High risk parties require enhanced CDD. You must obtain source of funds/wealth for verification.

Below the warnings, there is a 'Source Of Wealth/Funds' section with a 'WHAT DOES THIS MEAN?' link and a text input field. Below this is a 'Reference' section with a text input field. Below that is a 'New Zealand Business Number' section with a text input field. At the bottom is a 'Notes (Optional)' section with a text input field.

Risk Rating - How is it calculated?

- The risk score (Low, Medium or High), are calculated based the inputted information about your client and their transaction.
- Each answer has a number associated to it (i.e. low risk may be 1 or 2, high risk is 5). The underlying methodology has been tested for logic and accuracy.
- The ICRR is then calculated by adding the transaction level risk scores, and the highest client level score together.
- You will then be shown the calculated risk score, however using your judgement (as permitted by your AMLCO) you will have the ability to upgrade or downgrade the risk score, to reflect your wider assessment.

How this feeds into the new Risk tab

Example One

The image consists of two screenshots of the AMLHUB web application, illustrating the flow from a deal structure to a risk assessment view. A red curved arrow points from the first screenshot to the second.

Top Screenshot: The interface shows the 'CDD Register / Deals / 123 Test Address' page. The 'Structure' tab is active, displaying a tree view of the deal structure. The root node is '123 Test Address' (Residential), which has two child nodes: 'Jane Test' and 'John Test'. Each node has a red 'X' icon and a dropdown menu.

Bottom Screenshot: The same page is shown, but the 'Risk' tab is active. The 'Client Risk' section is visible, showing three radio buttons: 'High', 'Medium', and 'Low (calculated)'. The 'Low (calculated)' option is selected. A blue button labeled 'APPROVE RISK LEVEL' is next to the radio buttons. Below the radio buttons, a green checkmark indicates 'Approved by Eilidh Penman on 13/05/2025, 08:31:43 (4 minutes ago)'. The 'Jane Test' and 'John Test' sections show 'No risks identified'. The 'Transaction Risks' section shows a warning icon and the text 'Not all met face-to-face'.

Here you can see a structure with two individuals. Based on the information entered during their onboarding, they have been automatically calculated a Low Risk, and approved by the AMLCO.

Note that AMLCOs will have the ability to upgrade or downgrade the risk score based on their knowledge of the deal.

How this feeds into the new Risk tab

Example Two

The screenshot shows the AMLHUB interface with the 'UPDATE INDIVIDUAL' form for Jane Test. The form is divided into several sections: Details, Documents, eChecks, PEP, and Verification. The 'Details' section contains the following fields:

- Title: Please Select
- First Name: Jane
- Middle Names:
- Last Name: Test
- Date Of Birth: DD/MM/YYYY
- Address: Type to Search
- Email Address:
- Phone Number:
- Types: Please Select
- Foreign Exposure? **: None
- High-Net-Worth Individual **: Yes
- Country Of Residence: New Zealand

The 'High-Net-Worth Individual' field is highlighted with a red box. Below the form, there is a link for 'Offshore Exposure Risk (PEP?)' and a button for 'WHAT DOES THIS MEAN?'.

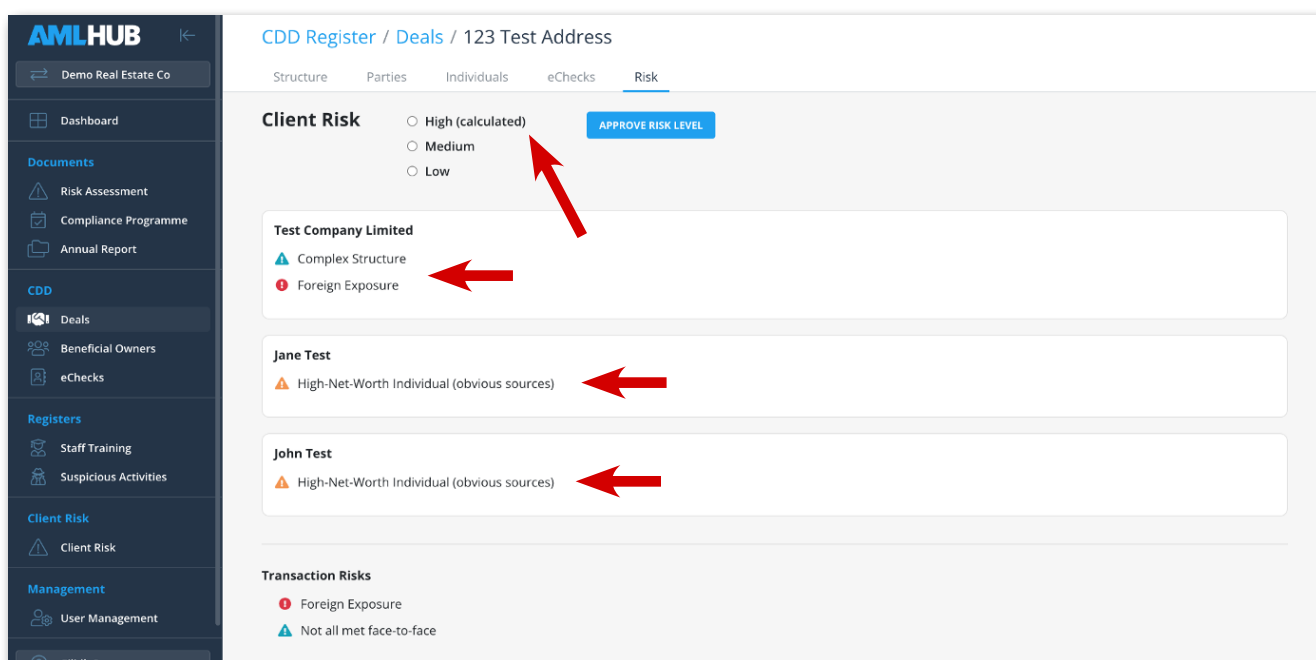
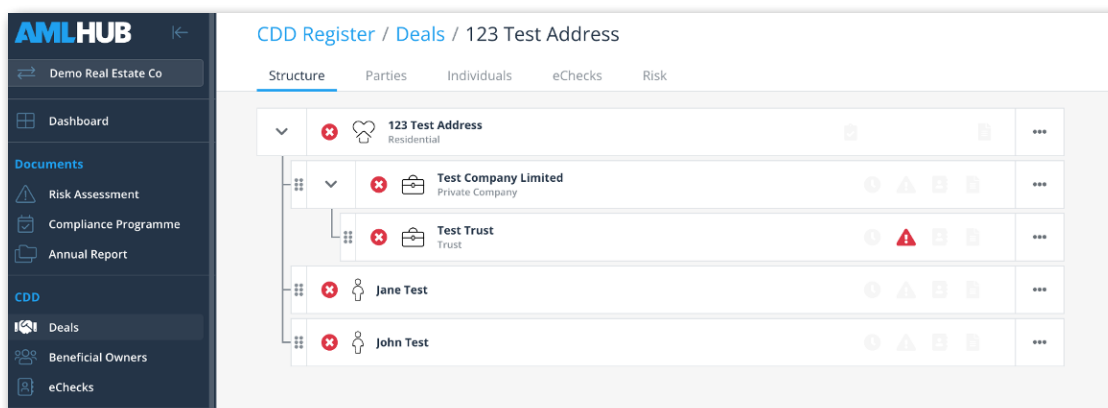
The screenshot shows the AMLHUB interface with the 'Risk' tab for the deal 123 Test Address. The 'Client Risk' section shows a risk rating of Medium (calculated) and a button to 'APPROVE RISK LEVEL'. The 'Jane Test' entry is marked as a High-Net-Worth Individual (obvious sources). The 'John Test' entry shows no risks identified. The 'Transaction Risks' section shows a warning for 'Not all met face-to-face'.

In this example, Jane has been marked as a high net worth individual, which has increased the recommended risk rating of the deal to Medium.

Again, note that the AMLCO can upgrade or downgrade this risk rating according to their knowledge of the deal and beneficial owners.

How this feeds into the new Risk tab

Example Three



In this example, there are several elements that have increased the automatic risk scoring of the deal, including a trust and two high net worth individuals.

This has resulted in a High risk score being calculated.

Interpreting the Risk tab

The coloured icons indicate the risk level identified, like a traffic light:

- Green - Low Risk
- Yellow - Medium Risk
- Red - High Risk

CDD Register / Deals / 123 Test Address

Structure Parties Individuals eChecks Risk

Client Risk

☐ High (calculated) ☐ Medium ☐ Low

Test Company Limited

- Complex Structure
- Foreign Exposure

Transaction Risks

- Foreign Exposure
- Not all met face-to-face

John Test

- High-Net-Worth Individual (obvious sources)
- Foreign Exposure

Transaction Risks

- Not all met face-to-face

Approval of risk

Once a risk level has been applied, it will need to be approved by the admin / AMLCO authorised to do so.

Client Risk

☐ High

☐ Medium (calculated)

☒ Low (approved)

APPROVE RISK LEVEL

Approved by Artem K on May 7, 2025 at 10:00 AM

If an upgrade or downgrade of risk level is required, the authorised admin / AMLCO can do so here. When overriding the risk rating, an explanation of the rationale behind the upgrade / downgrade will be required, which can be entered in the comment section below.

☐ High (calculated)

☒ Medium

☐ Low

APPROVE RISK LEVEL

ns, Ltd

Client Risk Override

Calculated Client Risk:

HIGH

Approved Client Risk:

MEDIUM

Comment:

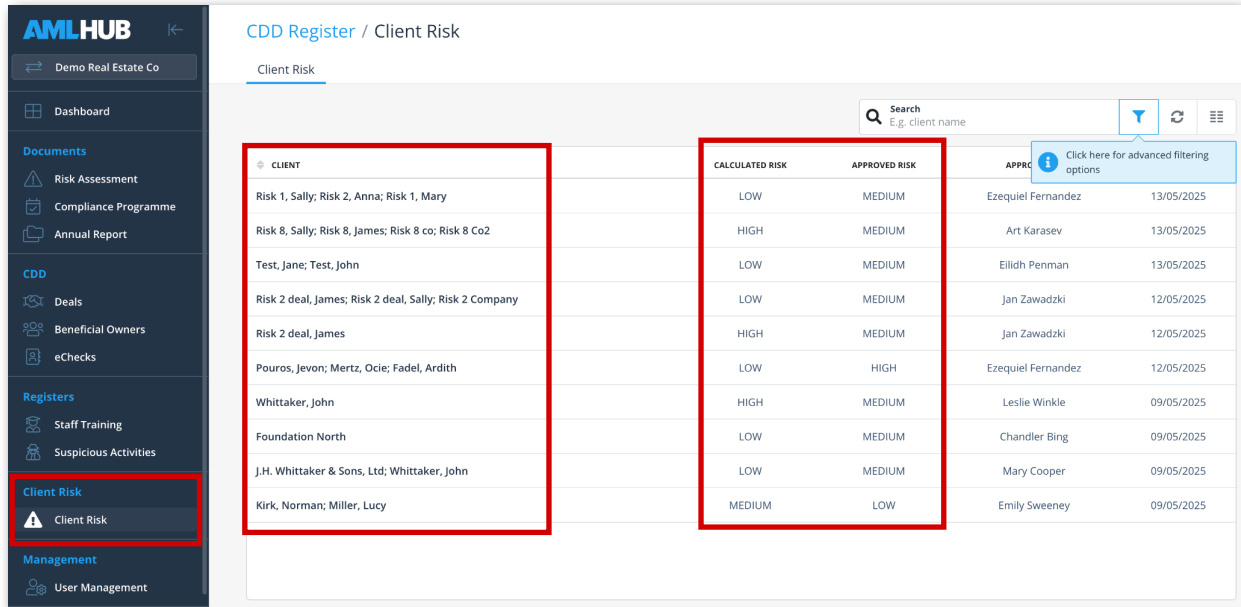
(Justification for risk reduction required)

CLOSE

APPROVE

Client Risk Register

All clients and their approved risk levels will be visible in the Client Risk Register.



CLIENT	CALCULATED RISK	APPROVED RISK	APPROVED BY	DATE
Risk 1, Sally; Risk 2, Anna; Risk 1, Mary	LOW	MEDIUM	Ezequiel Fernandez	13/05/2025
Risk 8, Sally; Risk 8, James; Risk 8 co; Risk 8 Co2	HIGH	MEDIUM	Art Karasev	13/05/2025
Test, Jane; Test, John	LOW	MEDIUM	Eilidh Penman	13/05/2025
Risk 2 deal, James; Risk 2 deal, Sally; Risk 2 Company	LOW	MEDIUM	Jan Zawadzki	12/05/2025
Risk 2 deal, James	HIGH	MEDIUM	Jan Zawadzki	12/05/2025
Pouros, Jevon; Mertz, Ocie; Fadel, Ardith	LOW	HIGH	Ezequiel Fernandez	12/05/2025
Whittaker, John	HIGH	MEDIUM	Leslie Winkle	09/05/2025
Foundation North	LOW	MEDIUM	Chandler Bing	09/05/2025
J.H. Whittaker & Sons, Ltd; Whittaker, John	LOW	MEDIUM	Mary Cooper	09/05/2025
Kirk, Norman; Miller, Lucy	MEDIUM	LOW	Emily Sweeney	09/05/2025

Notes

- This is the first release of the ICRR. AMLHUB will be updating the ICRR as guidance is released.
- AMLHUB will collate relevant feedback and also make updates as required.
- The methodology was created by AML Solutions, and has been tested in hundreds of CDD examples, to ensure the risk ratings are calculating correctly.
- The ICRR feeds into your ongoing CDD measures, and further updates will be provided on this.

The AMLHUB ICRR Methodology

In developing this risk rating methodology, we have looked to overseas jurisdictions applicability, concepts of client risk assessment in other areas of compliance and worked with AML/CFT expert consultants to create the below customer risk rating methodology.

This ICRR aims to ensure that all clients are assessed for their potential risk of involvement in money laundering and terrorism financing, and that appropriate measures are put in place to mitigate these risks effectively, where they are identified.

Our ICRR is routed in key assumptions:

- Risk-Based Approach: with this, the score will form the foundation of a risk-based approach where the type/level of due diligence are proportionate to the assessed risk level of the client. Specifically, higher risk clients will be subject to enhanced procedures.
- Ongoing Monitoring: Clients are not assessed only during onboarding but are continuously re-assessed based on changes in their profile, transactions, behaviours, or other external factors, This is further described in our Compliance Programme.
- Dynamic: as part of wider ML/FT processes, it is intended that this ICRR will be regularly reviewed to risk assess clients in a dynamic process that adapts to emerging risks and typologies, our evolving business, and generally evolutions of our service offerings.

We consider a simple 3 tier risk categorization methodology is appropriate and aligns with guidance related to date, such as the Enhanced Customer Due Diligence Guideline.

Clients will be categorized into the following risk tiers, following risk characterisation:

- Low Risk (risk score 0-2): Low probability of involvement in ML/TF activities. Standard (or simplified as appropriate) due diligence and monitoring applies.
- Medium Risk (risk score 3-4): Higher likelihood of potential ML/TF risk. Increased transaction monitoring and periodic ongoing CDD reviews.
- High Risk (risk score 5): Clients with elevated risks require enhanced due diligence and frequent monitoring. Senior management will be sought at the time of onboarding.

The scores are derived from a series of risk attributes such as client structure, PEP status, etc. being assessed numerically and generating the associated risk scores. Clients are assessed against each aspect, and where applicable the weight score is added to the client. Relevant attributes cumulatively add to determine the risk rating score, which is presented within the AMLHUB after completion of the assessment questions.