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Crackdown raises demand for specialists

Since the tragic events of September 11, 2001, much attention has been drawn towards the interaction between banking and financial institutions and the financing of terrorist acts. In the wake of the United States Patriot Act, governments around the world have either passed legislation or have tightened existing rules to crackdown on money laundering.

The spotlight on money laundering fell on the Pearl River Delta after the high-profile case involving Banco Delta Asia and its connections to North Korea.

According to Dang Hue, regional director of the Association of Certified Anti-Money Laundering Specialists (ACAMS),

it is important for the region to have qualified anti-money laundering specialists.

She explains that the Certified Anti-Money Laundering Specialist (CAMS) certification is important because "it is the only globally-recognised qualification recently recommended by the US Federal Reserve".

Peter Gallo, a local CAMS-certified lawyer and regional anti-money laundering professional, goes further.

"I believe the CAMS qualification is an entry-level qualification and the very minimum that should be required of anyone working in financial compliance."

Gallo explains that CAMS is just a starting point because what the qualification does not cover is the "detail of the anti-money laundering legislation" in specific jurisdictions.

"Although there are great general similarities, this is not a subject that can be addressed with a global one-size-fits-all solution."

Acquiring a CAMS qualification requires passing a 3 1/2-hour multiple-choice exam with 120 questions in either English, Arabic and, soon, Chinese.

"Eighty per cent of questions are based on case studies because we don't want people to just memorise law and facts," Dang says.

Passing it makes one a member of a global group which is 25,000-strong in 160 nations. Ninety-five to 99 per cent of ACAMS members are certified CAMS or are in the process of becoming so, Dang says.

Given the pervasive nature of anti-money laundering issues in auditing, "know your customer" programmes at banks, due-diligence investigations and legal proceedings, she expects the market for anti-money laundering compliance to grow.

Although Asia has only 1,000 ACAMS members, Dang thinks there is strong growth potential as the mainland alone has 190,000 anti-money laundering professionals, with membership doubling annually.

Typically, CAMS certificate holders earn 14 per cent more than their counterparts doing the same anti-money laundering related work, but without the certification. Annual salaries for middle management compliance officers start at about US\$70,000 to US\$80,000 and quickly rise to US\$125,000 to US\$200,000 for personnel with more than a decade of experience.

Another certification body seeing steady growth is the Association of Certified Fraud Examiners (ACFE), which has 417 Hong Kong members and has seen annual growth of 5 per cent in the past three years. Locally, most members are accountants involved in forensic and insolvency work, and private security consultants, policemen, risk managers, investigators and academics.

Figures from ACFE's US website indicate CFEs earn 22 per cent more than their non-certified peers for the same job.

CFEs must sit for an exam comprising four sections, each containing 125 questions. US figures suggest 80 per cent passed the first time.

However, two years' work experience in either law enforcement, accounting or an exposure to commercial and financial fraud is required.

For Tadashi Kageyama, senior managing director at Kroll, a risk consultancy firm, it made sense for him to obtain the CFE accreditation because of the knowledge he gained, which has paid dividends in the fraud prevention work he undertakes. "I wanted greater institutional knowledge of the background, definitions, varieties, trends and nomenclature of fraud, as well as the related criminological aspects and legal framework," he says.

Kageyama also touts ACFE's active online network for reaching out to other CFE colleagues to learn if they have encountered similar cases that have him stumped. "It's a valuable asset [to have]," Kageyama says.

Kageyama and Gallo are CFEs who had the benefit of waiving the exam requirement due to their vast investigative skill and experience. They agree that the CFE is essentially the de facto standard in the field.

"Clients often want to know my experience level based on my years in the field and the number of cases I've encountered," Kageyama says. "However, the CFE certification does help comfort them because it's issued by an independent, internationally recognised third party."

Like money laundering, Ian Barlow, ACFE's local training director, believes fraud is a perpetual problem that individuals and organisations must prevent. "If you don't have professionals recognising fraud, they are doing themselves and their stakeholders a disservice," he says.