



Syllabus



STEP Advanced Certificate in Principles of International Taxation, AML and Compliance

STEP 
ADVISING FAMILIES ACROSS GENERATIONS

Our education partner
 **CLTI**

In association with
MANCHESTER
1824
The University of Manchester
Alliance Manchester Business School

Introduction

This document contains the detailed syllabus for the **STEP Advanced Certificate in Principles of International Taxation, AML and Compliance**.

For more information about the course and how to apply, please visit the [course page](#) on the CLTI website.

Module 1:

ANTI-MONEY LAUNDERING I: PROCEEDS OF CRIME

The purpose of this module is to:

- explain the concept of money laundering from a global perspective
- explain the theoretical laundering process, namely the three stages of placement, layering and integration
- review international initiatives to control money laundering and examine some common themes
- examine different anti-money laundering (AML) models
- enable you to comply with your statutory duties in relation to customer due diligence (CDD) and reporting suspicious activities
- compare the AML provisions enacted in the jurisdiction where you work with international standards
- provide a background to your understanding of the subject, which will be developed further in Module 2.

By the end of this module you should be able to:

- appreciate the problems caused by money laundering from a global perspective
- identify the three stages of the theoretical money laundering process, namely placement, layering and integration
- review international initiatives to control money laundering
- comply with the AML provisions in force in the jurisdiction where you work or have a substantial connection
- fulfil your statutory duty in relation to CDD and suspicious activity reporting
- appreciate common themes running through AML initiatives in relation to detection, investigation and prosecution of offenders.

Module 2:

ANTI-MONEY LAUNDERING II: COUNTER TERRORIST FINANCING, TAX EVASION AND CIVIL LIABILITY

The purpose of this module is to:

- review international initiatives that counter terrorist financing
- examine the methodologies typically used to finance terrorism and explain the CDD and duty to disclose required in relation to such financial transactions
- continue our in-depth analysis of money laundering, with emphasis on the laundering of the profits derived from tax evasion
- explore a service provider's civil liability for assisting another to launder the proceeds of a breach of fiduciary duty
- review the principles of dishonest assistance.

Module 2 continued:

By the end of this module you should be able to:

- identify the hallmarks of terrorist financing and be able to comply with your CDD and disclosure requirements in relation to such funds
- understand the importance of getting to know your client, your client's business and the source of your client's wealth and the funds used in the transaction to avoid the risk of incurring both criminal and civil liability
- appreciate that, in certain contexts, money laundering not only includes the laundering of the proceeds of crime, but also the profits that derive from tax evasion
- comply with your statutory duties in relation to disclosures when the predicate crime is tax related
- understand the AML/CTF requirements that apply in the jurisdiction where you work or have some connection and compare the same with international standards
- understand the risk to a company which is found to facilitate tax evasion
- evaluate the liability incurred by service providers who assist third parties in laundering the proceeds of a breach of fiduciary duty for dishonest assistance and constructive trusteeship.

Module 3:

ANTI-MONEY LAUNDERING III: UNEXPLAINED WEALTH ORDERS, CIVIL FORFEITURE OF THE PROCEEDS OF CRIME AND SANCTIONS

The purpose of this module is to:

- examine Unexplained Wealth Orders (UWO) to determine when they might be issued and why
- explain how a trust fund may be subject to criminal and civil forfeiture
- define and describe sanctions and explore who has power to impose them
- consider the responsibility of trustees and corporate service providers to comply with applicable sanctions.

By the end of this module you should be able to:

- demonstrate an understanding of the consequences of a UWO and know when and how to respond to one
- critically evaluate when and in what circumstances a trust fund may be subject to criminal and civil forfeiture
- understand the consequences of the imposition of economic sanctions when money is transferred across the globe
- be aware of the importance of complying with the requirements of sanctions imposed on offshore financial institutions.

Module 4:

PRINCIPLES OF INTERNATIONAL TAX LAW I: INTRODUCTION

The purpose of this module is to:

- explain the general principles concerning taxation
- identify and discuss the main issues in international tax
- introduce some of the basic concepts and terminology associated with international tax
- explore what is meant by tax planning in the international arena
- identify various types of domestic tax
- examine the meaning and importance of the residence in relation to the taxation of individuals.

By the end of this module you should be able to:

- provide a comprehensive and detailed summary of the principles of taxation together with the different forms tax may take
- demonstrate an understanding of the redistributive effect of tax
- critically evaluate the significance of conflict of laws in relation to tax
- articulate what role source and residence play in relation to tax and how residence is determined
- reflect on the importance of double taxation treaties in alleviating double taxation
- understand the importance of your clients obtaining taxation and legal advice before commencing with an account or structure.

Module 5:

PRINCIPLES OF INTERNATIONAL TAX LAW II: INTERNATIONAL TAX LAW ISSUES AFFECTING COMPANIES, PARTNERSHIPS, TRUSTS AND FOUNDATIONS

The purpose of this module is to:

- explain the criteria used to determine the fiscal residence of companies
- review the concept of central management and control in relation to companies
- discuss the issues associated with changing the residency of a company
- identify the domestic and international tax issues associated with different types of partnerships
- explain the concept of the taxation of trusts
- compare the taxation treatment of different types of trust
- summarise the tax treatment of foundations.

By the end of this module you should be able to:

- demonstrate an analytical understanding of the principles of taxation in relation to companies, partnerships, trusts and foundations
- critically evaluate the significance of conflict of laws in relation to taxation
- demonstrate a deep understanding of how revenue collectors onshore try to prevent tax avoidance by their citizens, by means of withholding tax (the classical system) and the imputation system of tax collection
- reflect on what role source and residence play in relation to tax and how residence is determined
- provide a comprehensive summary of some of the tax planning opportunities that may arise in connection with the provision of offshore trusts and companies.

Module 6:

PRINCIPLES OF INTERNATIONAL TAX LAW III: COMPULSORY DISCLOSURE OF TAX-RELATED INFORMATION

The purpose of this module is to:

- explain the purpose and historical context of FATCA and CRS
- provide a summary of the key terms and acronyms which apply with regards to FATCA and CRS
- describe how FATCA and CRS operates and how trusts and companies are generally characterised under FATCA and CRS.

By the end of this module you should be able to:

- provide a comprehensive and detailed summary of the purpose and historical context of FATCA and CRS
- understand the principles of how to comply with the reporting requirements imposed by FATCA
- understand the principles of how to comply with the reporting requirements imposed by CRS.

Module 7:

PRINCIPLES OF RISK MANAGEMENT

The purpose of this module is to:

- explore the concept of risk management
- examine what risk is and how to identify it
- introduce risk strategy and how to analyse risk
- review what types of risks most concern financial services businesses and how they affect them
- explain what risk management is and how it can be put into practice
- consider monitoring risk and why it is important
- discuss what is involved in reporting and review.

By the end of this module you should be able to:

- critically evaluate and discuss the basics of risk management
- review and systemically assess examples of risks that are likely to affect a financial services business
- provide a comprehensive summary of the importance of identifying, analysing, managing, monitoring, reporting and communicating risk
- reflect on the importance of risk culture and what problems there may be for a business which fails to instill an appropriate risk culture throughout its staff
- analyse how regulatory and conduct risk affect financial services businesses, including how anti-money laundering (AML) and combating the financing of terrorism (CFT) compliance and other regulatory failures place a financial services business at risk
- formulate a basic risk strategy and risk management plan
- articulate the importance of risk monitoring and review.

Module 8:

COMPLIANCE I: THE REGULATION OF FINANCIAL SERVICES PROVIDERS

The purpose of this module is to:

- examine the rules which apply to the professional conduct of STEP members
- examine the philosophy of, and rationale for, the regulation of financial services
- review the legal process of authorisation and standard setting in relation to the regulation of financial services
- explore the different sources of regulation and standard setting
- discuss the main developments which have shaped thinking on financial regulations
- review the regulatory models that apply in certain jurisdictions and the role of international compliance bodies.

By the end of this module you should be able to:

- review and assess the responsibilities the STEP Code of Professional Conduct places on STEP members, including specifically confidentiality and conflicts of interest
- demonstrate an understanding of the need for regulation of financial services and the main models that apply
- reflect on how some of the scandals and banking failures of the past have shaped the current regulatory regime
- provide a summary of the main legislative and regulatory provisions that apply in your jurisdiction.

Module 9:

COMPLIANCE II: THE REGULATION OF TRUST AND COMPANY MANAGEMENT SERVICES PROVIDERS

The purpose of this module is to:

- review the international initiatives relating to the regulation of fiduciary business, summarise their recommendations and explore the rationale behind them
- examine how the provision of trusts, foundations and company services are generally regulated in most offshore financial centres
- analyse the concept of transparency and how this affects the provision of trusts, foundations and company services.

By the end of this module you should be able to:

- evaluate international initiatives relating to the regulation of trustee and company management business
- demonstrate an understanding of how the provision of trustee and company management services is regulated by licensing requirements and how such provision is supervised and enforced
- scrutinise the concept of transparency, why it is considered to be desirable and how it may be achieved.

Module 10:

COMPLIANCE III: CONFIDENTIALITY AND COMPULSORY DISCLOSURE OF INFORMATION

The purpose of this module is to:

- introduce the concept of confidentiality and how it affects a trustee
- explore when and in what circumstances a trustee is required to disclose trust-related information to the beneficiaries of a trust
- explore the duty of a trustee to account, including the requirement to keep accurate accounting records and to prepare annual financial statements
- review when and under what circumstances a trustee is obliged to disclose trust documents and other information as part of the trustee's public duties
- consider how data protection legislation affects a trustee when holding and retaining personal information of the beneficiaries.

By the end of this module you should be able to:

- demonstrate an understanding how and why the duty of confidentiality arose and how it affects the provision of financial services
- understand how to comply with a trustee's duty to provide trust-related information to beneficiaries
- comply with a trustee's duty to account, appreciate how such duty is satisfied and the penalty for breaching the duty
- evaluate when and in what circumstances a third party related to the trust, such as the settlor, enforcer or the protector, is entitled to trust accounts and other information relating to the trust
- comply with your public duty to disclose documents and other information relating to the trust to the regulator, the money laundering authority and/or the courts
- articulate the basics of data protection legislation and how this may, or may not, affect a trustee's disclosure requirements.

Module 11:

COMPLIANCE IV: INTERNATIONAL TRANSPARENCY INITIATIVES – FATF, EU AND OECD

The purpose of this module is to:

- summarise the impact of the requirements for beneficial ownership registers on offshore trust and company providers
- outline the features of the OECD's BEPS Action Plan and its impact on offshore financial centres
- identify the possible impact of the UK's DOTAS regime on service providers in offshore financial centres
- list the tests that demonstrate whether a company has economic substance in a particular jurisdiction under the EU substance rules.

By the end of this module you should be able to:

- provide a summary of the measures which the FATF, OECD and EU have implemented to attempt to prevent harmful tax practices outside of CRS
- review and assess the rationale behind and features of the EU's 4MLD, 5MLD and 6MLD
- demonstrate a mature understanding of how the beneficial owner registers impact offshore financial centres and clients of offshore services
- explain what is meant by 'entities in scope' and 'relevant activities' under the EU economic substance provisions.