

Global Banking Checklist



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About LexisNexis® Regulatory Compliance

LexisNexis Regulatory Compliance helps you forge a clear path to compliance.

With LexisNexis content know-how at the core, our compliance registers, alerts, and information-driven solutions make compliance uncomplicated for GRC professionals across the globe.

Contents from this checklist is taken from the the Global Banking Compliance Register.

About the Global Banking Compliance Register

The Global Banking Compliance Register, from LexisNexis Regulatory Compliance, helps banks to identify their global banking compliance requirements. It covers the following core obligations: Banking Governance, Banking Standards, Capital Requirements, Leverage and Liquidity Requirements, Exposures and Margins, Supervision and Risk Management, Bank Disclosures, Anti-Money Laundering Measures & Administration and Operations.

About the Expert

Martin Polaine

Barrister at Brooke Chambers



Martin Polaine is a barrister (England & Wales) of over 30 years experience, a Fellow of the Chartered Institute of Arbitrators (FCI Arb) and a Fellow of the Asian Institute of Alternative Dispute Resolution (FAIADR).

He has advised states, corporates and individuals in Africa, Asia and Europe on anti-corruption, AML/financial regulatory, dispute resolution, public international law and international/transnational criminal law. He has extensive experience in civil law, as well as common law, states and his practice includes international arbitration (both commercial and state-investor), international trade and sale of goods, treaty drafting, international human rights law and international cooperation. He also has a complementary background as a former senior prosecutor.

Martin has had conduct of numerous complex and sensitive cases, with a particular focus on those with an international element, and serves as an expert for international organisations (including Commonwealth Secretariat, Council of Europe, EU, UN agencies and the OECD).

He has extensive experience in advising at ministerial and senior official level. His wide-ranging representational roles have included treaty negotiation and serving as the UK's legal representative on the OECD Working Group on Bribery.

In addition to his regulated legal practice, he is also a director of a legal consultancy that provides specialist advice on crisis preparedness & management and corporate procedure/governance stress-testing.

Martin is a published author of legal texts (including 'Corruption & Misuse of Public Office' (Oxford University Press, 2006) and 'Counter-Terrorism Law & Practice: An International Handbook' (Oxford University Press, 2009)) and many conference and journal papers. He also teaches law at postgraduate level and is the author of (and tutor for) the 'International Trade & Investment Law' component of the LLM course provided by the Australian College of Law.

GLOBAL BANKING CHECKLIST

This checklist has been designed to help you identify your global banking compliance obligations.

Bank Governance

Requirement	Needs work	Don't know	Meets requirement
Does the bank define, document and implement a set of effective governance arrangements?			
Does the bank define and implement minimum standards for the composition and competencies of its governing body?			
Does the bank pay directors and senior executives in accordance with a remuneration policy?			
Does bank implement an AML/CFT program to coordinate all of the bank's AML/CFT measures?			
Does the bank develop, communicate, and implement a code of conduct that governs the ethical behaviour of all bank employees?			
Does the bank prepare and publish environmental, social and governance (ESG) reports?			
Does the bank maintain an independent compliance function to manage compliance risk?			

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Administration and Operations

Requirement	Needs work	Don't know	Meets requirement
Does the bank obtain a banking license before conducting banking business?			
Does the bank maintain proactive communication with government banking authorities?			
Does the bank implement data security measures that protect the integrity and confidentiality of personal information and the rights of data subjects?			
Does the bank only collect, store, and use recorded communications in accordance with applicable privacy principles?			
Does the bank protect the ability of personnel to escalate legitimate ethical and legal concerns?			
Does the bank refer all applications for freedom of information disclosures to the relevant government authority?			
Does the bank implement measures to detect and prevent financial crime?			

Banking Standards

Requirement	Needs work	Don't know	Meets requirement
Does the bank apply the Basel III Standards on both a consolidated and an individual basis?			
Does the bank calculate its global systemic importance annually?			
Does the bank measure its domestic systemic importance?			
Does the bank apply Basel III prudential standards and limits to cryptoassets?			

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Capital Requirements

Requirement	Needs work	Don't know	Meets requirement
Does the bank divide its regulatory capital into CET1, AT1 and Tier 2 categories?			
Does the bank make prescribed adjustments when calculating capital amounts and establish a prudent valuation framework?			
Does the bank calculate its total risk-weighted assets using the prescribed formula?			
Does the bank assign all instruments to the trading book or banking book in accordance with prescribed criteria?			
Does the bank maintain capital buffers of at least the prescribed minimums and reduce distributions when capital buffers are depleted?			
Does the bank should calculate capital requirements for general credit risk using the standardised or internal ratings-based approach?			
Does the bank calculate risk-weighted assets (RWA) for the credit risk of securitisation exposures using the prescribed securitisation framework?			
Does the bank identify transactions that involve counterparty credit risk and apply a charge calculated using prescribed approaches?			
Does the bank apply haircuts to securities financing transactions in accordance with prescribed minimum haircut floors?			
Does the bank use prescribed approaches to calculate risk-weighted assets (RWA) for equity investments in funds?			
Does the bank apply the prescribed capital treatment to failed and unsettled securities, commodities, and foreign exchange transactions?			

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Does the bank maintain trading desks that meet prescribed key attributes and requirements?			
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Does the bank calculate capital requirements for general market risk using the standardised, internal models or simplified approach?

Does the bank calculate risk-weighted assets (RWA) for credit valuation adjustment risk using the basic approach, standardised approach, or alternative treatment?			
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Does the bank calculate risk-weighted assets (RWA) for operational risk using the standardised approach?

Leverage and Liquidity Requirements

Requirement	Needs work	Don't know	Meets requirement
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Does the bank maintain a leverage ratio of at least 3% calculated quarterly?

Does the bank maintain a liquidity coverage ratio of at least 100%?			
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Does the bank maintain a net stable funding ratio of at least 100%?

Exposures and Margins

Requirement	Needs work	Don't know	Meets requirement
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Does the bank limit its total exposure to any individual counterparty (or counterparty group) to 25% of the bank's Tier 1 capital and report large exposures to banking authorities?

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Does the bank exchange initial and variation margin with counterparties to derivative transactions?

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Supervision and Risk Management

Requirement	Needs work	Don't know	Meets requirement
Does the bank implement an internal capital adequacy assessment process and a strategy for maintaining capital levels?			
Does the bank establish a risk management framework designed to ensure the bank recognises and controls pillar 2 risks effectively?			
Does the bank incorporate measures designed to mitigate compensation risk into remuneration policies?			
Does the systemically important bank aggregate and report risk data in accordance with prescribed principles?			

Bank Disclosures

Requirement	Needs work	Don't know	Meets requirement
Does the bank prepare, review, and disclose pillar 3 reports in accordance with Basel III rules and principles?			
Does the bank include all relevant mandatory Basel III disclosures in each pillar 3 report?			

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Anti-Money Laundering and Counter Financing of Terrorism (AML/CFT) Measures

Requirement	Needs work	Don't know	Meets requirement
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Does the bank maintain a current money laundering and terrorism financing (ML/TF) risk assessment?

Does the bank verify the identity of all customers and beneficial owners before providing them with banking products or services for the first time?

Does the bank have systems to ensure it never establishes a business relationship with an anonymous customer or shell bank?

Does the bank maintain a transaction monitoring program capable of detecting complex, unusual, and suspicious transaction patterns?

Does the bank report suspicious activities to authorities in accordance with applicable AML/CFT regimes without tipping off reported customers?

Does the bank perform initial and ongoing AML/CFT due diligence on all respondent institutions?

Does the bank retain customer due diligence records, transaction records, and all other records required under applicable AML/CFT regimes?

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- Explore your compliance obligations under a particular regulator, or a particular compliance source, with SourceData.
- Engage with the wider compliance community and LexisNexis experts through the Community Portal, our self-support platform.
- Access comprehensive, current LexisNexis content that meets your unique needs, with eight core modules relevant to all businesses, and over 90 industry-specific modules.

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