ACAS-1

Operator Manual — Compliance Officers & MLROs

The receiving side: relying on a Presentation — Edition 1

Companion to	ACAS-1 Agent Compliance Accountability Standard v0.1 (acas-1.org)
Companion volume	ACAS-1 Operator Manual — Deployers, Edition 1 — a separate document covering the emitting side
Published by	Kadikoy Limited, Bermuda (Reg. 202302362)
Date	31 July 2026
Status	Draft — open for public comment
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WHO THIS IS FOR

Compliance officers and MLROs	You will be asked to rely on, or refuse, due-diligence work performed by somebody else's agent. This manual tells you what you are actually being handed, what it does and does not discharge, and where your own judgment is still required. Start at §1 and read §3, §4 and §7.
Operators deploying agents	Read the companion **Operator Manual — Deployers** instead — it covers emission, declaring a programme you can hold, mandate management and the pre-publication checklist. §5 and §9 here are still worth your time.
Supervisors and examiners	§5 sets out what the standard does not do, and §9 lists the questions we expect you to ask, with the honest answers.
Everyone	§11 is a one-page quick reference. §10 is the glossary.

This manual is not normative. Where it differs from the specification, the specification governs.

1. In one page

An agent transacting with another agent needs to answer a question that has no good answer today: *what due diligence has been done on you, how current is it, and whose judgment stands behind it?*

Today that question is answered either by repeating the work or by taking it on trust. ACAS-1 provides a third answer: the completed work travels in a verifiable form, so a counterparty can check it rather than redo it or believe it.

Four ideas carry the whole standard.

The Compliance Step is the unit. It is the *record* of one due-diligence act — a screen you ran, an identity you verified, an ownership determination you made. You do not "perform a Step"; you do the work and a Step falls out of it, signed and timestamped.

The carriage class says how far that Step travels. This is the idea most often missed on first reading, and it is the one that determines what you can actually do with what you receive. Some results are worth carrying. Some are not, and the standard says so rather than pretending otherwise.

Continuous assurance is what makes the standard worth adopting rather than merely tolerable. An agent does not review on a calendar. It screens on every list publication and can prove it did. Detection latency — the interval between a fact becoming true and your programme acting on it — falls from months to hours, and the cadence is evidenced rather than asserted.

The Presentation is what actually changes hands. Not a file, not a dossier, not a data dump: a signed subset built for one counterparty, for one purpose, valid for a stated window, under a mandate the subject can revoke.

And one line that is not negotiable: the machine finds facts; the person makes determinations. A programme that clears its own hits is not conformant with this standard, and the schema will not let you declare one.

2. The shape of it

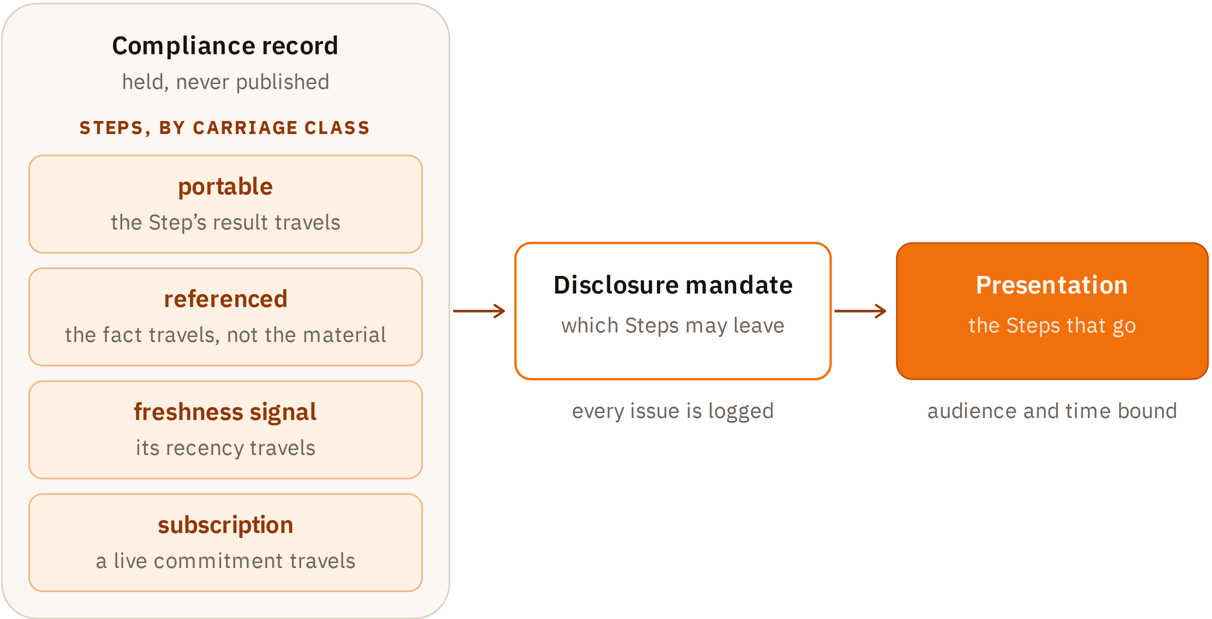

Figure 1 — Record, mandate, Presentation. Each Step carries a carriage class (see Figure 2).

A Compliance Record is the set of Steps held for a subject. It is held by the subject or its operator. It is never published, never broadcast, and never handed over whole.

When a counterparty asks, the agent constructs a **Presentation** — a subset containing only the Steps that counterparty's profile requires and the **disclosure mandate** permits. The mandate is the subject's standing authority: which step types, to which classes of counterparty, for what purpose, for how long. It is narrow by design, revocable with immediate effect, and every Presentation issued under it is logged, so the subject can see what went where.

Two properties of a Presentation matter operationally. It is **audience-bound**: if you receive one addressed to someone else, reject it, and do not forward one addressed to you. And it is **time-bound independently of the Steps inside it** — a Step can still be current while the Presentation carrying it has lapsed.

3. What travels, and what does not

This is the section to read if you read only one.

The temptation is to assume that if a counterparty has done the work, you can use the result. For some due-diligence acts that is true. For others it is not, and the standard is explicit about which is which so that you are not quietly over-relying.

Carriage class	What you receive	What you should do with it
Portable	The result itself, evidenced and independently verifiable	Take it into your assessment on your own policy
Referenced	The fact the act occurred, its scope, its outcome, and a hash of the material examined	Decide whether you need the material. If so, request it and check it hashes to the carried value
Freshness Signal	The existence, scope and recency of the counterparty's own programme	Their result does not discharge your obligation. Read the programme as a risk signal, and let its currency inform **when and how far** you go on your own
Subscription	A live monitoring commitment with evidenced cadence, and a change-notification endpoint	Verify the evidence chain, then subscribe

Why sanctions and PEP are only signals

A carried screening result says "clear" — but stripped of the name it was run against, which confidentiality and data-protection law require be withheld. You cannot validate a search whose subject you cannot see. So the standard does not ask you to rely on it.

What you do get is worth something: a counterparty screening hourly against a comprehensive list set with documented matching is a materially different proposition from one that has never screened, and the carried Step tells you which you are dealing with. Then you screen them yourself, which takes seconds.

Practical rule: never record a counterparty as sanctions-cleared on the strength of their carried Step alone — you cannot validate a search whose subject you cannot see. Your own screening is what discharges your obligation. What their Step properly informs is the *risk-based* part: how recently they ran, against which lists, under what matching — and therefore how soon, how often and how deeply you go yourself.

Why source of funds is referenced

The substance of a source-of-funds enquiry is exactly what cannot travel. What travels instead is proof that a substantive enquiry happened, when, over what period, covering what categories, with what outcome — plus a hash of the material examined.

If you need the underlying material, you request it at the declared endpoint with your authorisation. When it arrives, hash it. If it matches, you have established not only that you have the right material but that it is **the same material examined at the time of the enquiry**, unaltered since. That is a stronger integrity guarantee than a conventional document request gives you.

Why monitoring is a subscription

A past search tells you nothing about a live relationship. So monitoring does not travel as a result at all. It travels as a declared programme with evidenced performance, plus an endpoint that will notify you if status changes after you have cleared the subject.

This is prospective rather than retrospective assurance, and it is the piece with no conventional equivalent. You are not being told the subject was clear in May. You are being told they are under continuous monitoring, here is the proof of cadence, and you will hear within four hours if that changes.

4. Reading a Presentation

A working sequence. Steps 1 to 3 are mechanical; step 4 is where judgment starts.

1. Check the envelope before the contents. Is the Presentation addressed to you? Is it within its window? Has the mandate behind it been revoked? Any of these failing means stop — do not read further and do not act on it.

2. Verify each Step. Signature validates against the determiner's identity; evidence checks out; the Step is within `validUntil`. A Step past its expiry is not a weak clear. It is not a clear at all.

3. Check completeness against a named profile. Completeness is only meaningful relative to a profile. Name the one you are testing against, then confirm every required type is present. The Presentation may assert `completeFor` — treat that as the subject's claim, not your conclusion.

4. Act on carriage class, not on results. Portable results enter your assessment. Referenced Steps: decide whether you need the material. Freshness signals: run the act yourself. Subscriptions: verify the chain, then subscribe.

> The most common error at this stage is reading the `result` field of a freshness-signal Step and treating it as a clear. It is not. Read `carriage` first, every time.

5. Check determination levels against your policy. For each Step, is the level sufficient for your purposes? Your policy should state a minimum per step type — see §7.

6. Decide. Either the subject clears on your own assessment, or a determination reserved to a person is required. In the second case the verified Steps become the raw material for a package you place in front of that person, rather than a reason to start again.

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5. A transaction, from your side

The same transaction the Operator Manual describes, told from your seat. Dates and figures match; what differs is that here you are the one deciding.

5.1 Day 0 — a Presentation arrives

A counterparty's agent proposes a payment and its agent sends you a Presentation against the agent-to-agent payment profile.

Check the envelope before the contents. Is it addressed to you? Is it inside its window? Has the mandate behind it been revoked? Any of those failing and you stop — you do not read on, and you do not act.

Then notice what is absent. The Presentation contains five Steps. There is no `source_of_funds` Step, because their sponsor did not authorise disclosure of it to your class of counterparty. That is not a gap in their compliance; it is a scope decision by their principal. If your profile requires it, you ask for it separately. What you must not do is treat its absence as a finding.

5.2 What you do with each Step

This is where a Presentation differs from every document you have been handed before. You do not read it top to bottom and form an overall impression. You read `carriage` on each Step and act accordingly.

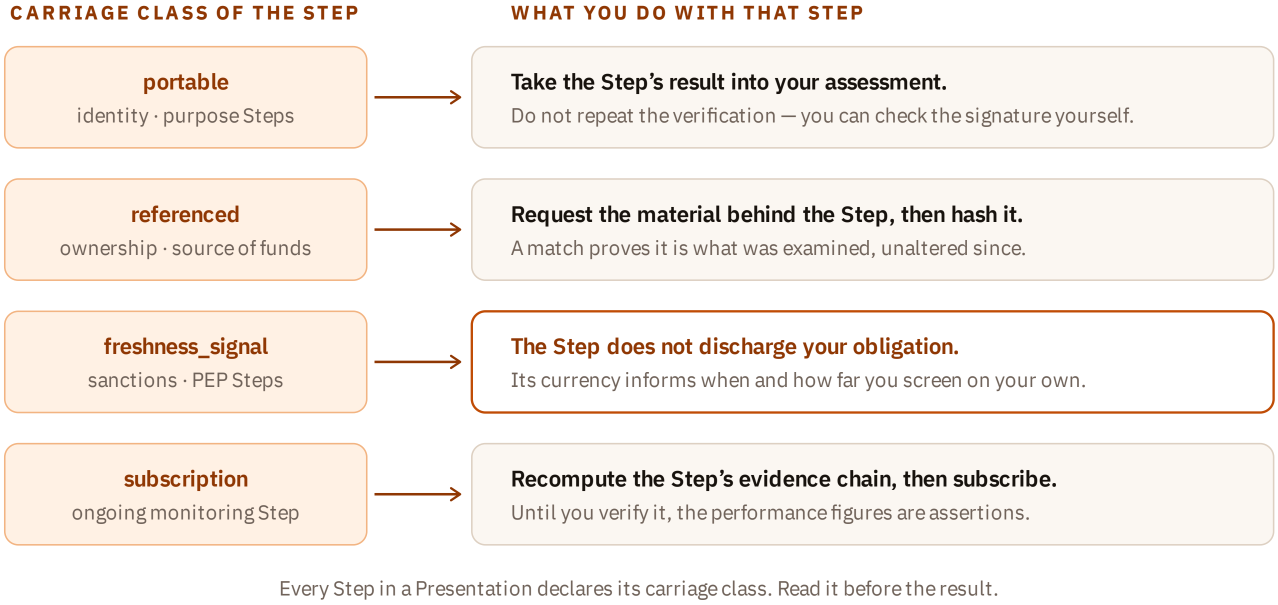

Figure 2 — The four carriage classes, and what each asks of you.

The screening line is the one that surprises people. Their `clear` result is not something you rely on — it cannot be, because the name it was run against is not in the Presentation and you could not validate it if it were. What their Step gives you is a **risk signal about their programme**: which list sets, what matching methodology, how recently. A counterparty screening hourly against comprehensive lists with documented matching is a different proposition from one that has never screened. Then you screen them yourself, which takes seconds.

Your policy is satisfied. You clear the counterparty, the payment proceeds, and no human was involved — because no determination reserved to a person arose.

5.3 Day 31 — the notification

A sanctions authority publishes an update naming a beneficial owner of your counterparty's sponsor. Their programme catches it within hours, and because you subscribed on Day 0, you are told.

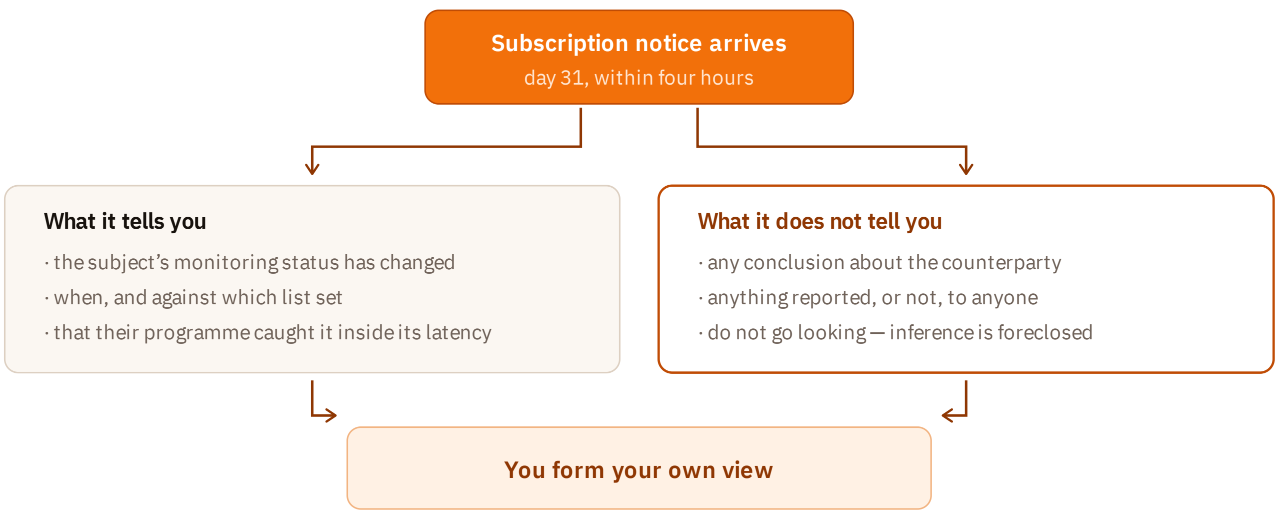

Figure 3 — The notification is an input to your process, not a substitute for it.

Read what it says, and do not read what it does not. The notice tells you the subject's monitoring status has changed, when, and that their programme detected it inside its declared latency. It carries no conclusion about the counterparty, and — by design — nothing whatsoever about whether anything has been or will be reported to anyone.

Do not go looking. The standard is built specifically so that inference is unavailable, and attempting it may itself create exposure.

Then form your own view. The notification is an input to your process, not a substitute for it. Depending on your policy that may mean pausing further transactions, re-screening immediately, requesting the material behind their beneficial-ownership Step, or escalating to your own responsible person. Their MLRO's determination, when it comes, is evidence you may consider. It is not your determination and does not discharge it.

5.4 What you gained

Under a conventional relationship you would have onboarded the counterparty on documents you could not verify, and that sanctions listing would have surfaced at your next periodic review — somewhere between a day and three months later. Nobody would have told you. You would have had to think to ask.

Instead you verified everything you relied on, repeated only what was worth repeating, and were told inside four hours. Your obligations did not change. The interval before you could act on them did.

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6. What you still have to do

Stated bluntly, because misunderstanding here is the expensive kind.

Your obligation does not transfer. ACAS-1 creates no reliance right and does not engage FATF Recommendation 17. A Presentation is not a reliance arrangement. You remain fully responsible for your own customer due diligence, and a supervisor will hold you to that whatever you were handed.

This is carried in the artefact, not only in this manual. Every Presentation contains an `assurance` object recording `relianceBasis: none` and `recipientObligation: undischarged` — and the schema permits no other values, so a conforming Presentation is incapable of claiming otherwise. Note what it does **not** disclaim: the issuer remains answerable for the accuracy of the Steps it signed. You may rely on the work being what it says it is. What you may not do is treat that as discharging your own obligation.

What changes is cost, not responsibility. Your own diligence becomes fast, evidenced and current instead of slow, undocumented and stale. That is the entire offer. It is a large offer, and it is not the same as being relieved of anything.

Reserved determinations stay reserved. Where your rules require a responsible person to approve, assess or decide, that requirement is untouched. The standard tells you where the counterparty's judgment sat; it does not relocate yours.

Nothing here carries suspicion. ACAS-1 deliberately cannot express or imply that a suspicious transaction or activity report — an STR under FATF usage, a SAR in the United States and United Kingdom — has been made or contemplated. If you find yourself trying to read a Presentation for signs of an STR, stop — the standard is built specifically to defeat that inference, and attempting it may itself create a tipping-off exposure.

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7. Setting your own policy

Four decisions, which should be written down before the first Presentation arrives.

Minimum determination level per step type. Which types will you accept at `agent_determined`, and which require `person_determined` or `independently_determined`? A common starting position: identity and beneficial ownership require a person or an independent determiner; purpose and screening do not.

Maximum acceptable latency. For subscription Steps, what `maxObservedLatency` will you accept, and what will you do when a counterparty's programme exceeds its own declared maximum? This is a number your policy should contain rather than a judgment made in the moment.

Currency thresholds. The standard sets maxima by carriage class. You may set shorter. Screening currency in particular should be measured in days rather than months for any relationship of consequence.

Which determiners you accept. An `independently_determined` Step is only as strong as the determiner's standing and key custody. You are entitled to maintain a list of determiners you will and will not rely on, and you should.

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8. Handling a hit

When a counterparty's monitoring subscription notifies you of a status change, or your own screening surfaces a match:

1. **Do not clear it, and do not let an agent clear it.** A match or review outcome halts reliance on that limb until determined.
2. **Let the agent assemble, not decide.** The searches, the evidence, the populated form, the identification of the responsible person — all of that is machine work.
3. **The package must be complete.** The conformance test is strict and worth applying to your own systems: if the responsible person has to go and run a search the agent could have run, the package was not conformant.
4. **Determine, then supersede.** The determination is recorded as a new Step at `person_determined`, with a human evidence entry, superseding the prepared one. The prepared Step is retained — the pair is the record of what was put before the person and what they concluded.
5. **Do not record the outcome in a way that discloses a report.** See §5.

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9. Questions a supervisor will ask

With the answers we think are honest.

"Is this a way of doing less compliance?" No — and the arithmetic runs the other way. The volume of counterparty relationships in agent-to-agent commerce will exceed what a review function can consider. The alternative to structuring that is not careful human review; it is nominal review, which is a control failure that presents as a control. Continuous detection with reserved determinations preserved is more compliance, arriving sooner.

"Are you removing the human?" No. The `disposition` field is normative and the schema excludes auto-clear. What changes is what reaches the person: a complete, evidenced package rather than a queue.

"Can you actually prove your cadence, or is this just a claim?" It is verifiable. Every execution emits a signed, independently timestamped, hash-chained record. Omission, reordering and substitution are all detectable. Recompute the chain rather than reading the summary — until you do, the performance figures are assertions like any others.

"Is this third-party reliance by another name?" No. ACAS-1 creates no reliance right and does not purport to satisfy R.17. The recipient's obligation is undiminished. What the standard reduces is the cost of discharging it.

"What about the personal data?" Two of the four carriage classes carry no personal data by construction. Referenced Steps carry none until an authorised request is made and granted. Nothing is published; disclosure is to one named counterparty, for a stated purpose, under a revocable mandate, and logged.

"Does the continuous screening itself have a lawful basis?" An obliged entity screening its own customer under a legal obligation generally does. An assessing party screening a counterparty's beneficial owners, where it has no relationship with those individuals, may not — and should not assume it does. This is an open question the standard flags rather than answers.

"Could I infer from this that a report has been filed?" The standard is designed so that you cannot, and names three channels it closes: persistent outcome states, silent absence, and cadence anomalies. If you find a fourth, that is exactly the feedback the comment period is for.

10. Glossary

Term	Meaning
Compliance Step	The evidentiary record of one due-diligence act
Compliance Record	The set of Steps held for a subject. Held, never published
Presentation	A signed, audience-bound, time-limited subset of a Record, issued to one counterparty
Carriage class	How far a given result travels: portable, referenced, freshness signal, or subscription
Detection latency	The interval between a fact arising and the programme acting on it
Determination level	Where the judgment behind a Step sits: agent, prepared, person, or independent
Prepared package	A Step complete in every respect except the reserved determination
Disclosure mandate	The subject's scoped, revocable authority for an agent to issue Presentations
Monitoring programme	A declared continuous-assurance commitment: cadence, lists, matching, disposition
Evidence chain	The hash-linked series of execution records that makes cadence provable
Subject / performer / determiner	Whose diligence it is; who did the work; whose judgment stands behind it

11. Quick reference

Receiving a Presentation Envelope first — addressed to you, in window, mandate live. Then each Step — signature, evidence, currency. Then completeness against a named profile. Then **carriage before result**. Then determination levels against your policy. Then decide.

The one-line rule for each class Portable — use it. Referenced — request it if you need it, then hash it. Freshness signal — run it yourself. Subscription — verify the chain, then subscribe.

Never Never treat a freshness signal as a clear. Never act on a lapsed Step. Never forward a Presentation addressed to you. Never let an agent dispose of a hit. Never read a Record for signs of a report.

Always Always name the profile you are testing against. Always recompute an evidence chain before relying on a latency claim. Always read `carriage` before `result`. Always keep your own determination.

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