

Butterworths Money Laundering Law

Bulletin Editor
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UK NEWS

HM Treasury

Advisory Notice

On 7 March 2013 HM Treasury issued the latest in a series of advisory notices regarding the risks posed by unsatisfactory money laundering controls in a number of jurisdictions.

The advice replaces all previous advisory notices issued by HM Treasury on this subject.

The full text of the notice can be found here: http://hm-treasury.gov.uk/fin_money_latest_news.htm

Financial Sanctions

A consolidated list of asset freeze targets designated by the United Nations, European Union and United Kingdom under legislation relating to current financial sanctions regimes was updated on 5 April 2013, it is available here: http://hm-treasury.gov.uk/fin_sanctions_index.htm

European Union

Fourth Money Laundering Directive proposed by the European Commission

The European Commission has published a proposal for a fourth Money Laundering Directive which, if adopted and entered into force, will considerably widen the scope of domestic regulations. The proposals will have greater effect in some continental European states and will help to level the playing field across the EU.

The Commission on 5 February 2013 adopted two proposals to reinforce the EU's existing rules on anti-money laundering and fund transfers. The threats associated with money laundering and terrorist financing are constantly evolving, which requires regular updates of the rules.

Internal Market and Services Commissioner Michel Barnier said:

The Union is at the forefront of international efforts to combat the laundering of the proceeds of crime. Flows of dirty money can damage the stability and reputation of the financial sector, while terrorism shakes the very foundations of our society. In addition to the criminal law approach, a preventive effort via the financial system can help to stop money-laundering. Our aim is to propose clear rules that reinforce the vigilance by banks, lawyers, accountants and all other professional concerned.

Home affairs Commissioner Cecilia Malmström said:

Dirty money has no place in our economy, whether it comes from drug deals, the illegal guns trade or trafficking in human beings. We must make sure that organised crime cannot launder its funds through the banking system or the gambling sector. To protect the legal economy, especially in times of crisis, there must be no legal loopholes for organised crime or terrorists to slip through. Our banks should never function as laundromats for mafia money, or enable the funding of terrorism.

The package, which complements other actions taken or planned by the Commission in respect of fight against crime, corruption and tax evasion, includes:

- A directive on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing.
- A regulation on information accompanying transfers of funds to secure 'due traceability' of these transfers.

Both proposals fully take into account the latest Recommendations of the Financial Action Task Force (FATF), the world anti-money laundering body, and go further in a number of fields to promote the highest standards for anti-money laundering and counter terrorism financing.

More specifically, both proposals provide for a more targeted and focussed risk-based approach.

In particular, the new Directive:

- Improves clarity and consistency of the rules across the Member States:
 - by providing a clear mechanism for identification of beneficial owners. In addition, companies will be required to maintain records as to the identity of those who stand behind the company in reality.

- by improving clarity and transparency of the rules on **customer due diligence** in order to have in place adequate controls and procedures, which ensure a better knowledge of customers and a better understanding of the nature of their business. In particular, it is important to make sure that simplified procedures are not wrongly perceived as full exemptions from customer due diligence; and
- by expanding the provisions dealing with **politically exposed persons**, (i.e. people who may represent higher risk by virtue of the political positions they hold) to now also include ‘domestic’ (those residing in EU Member States) (in addition to ‘foreign’) politically exposed persons and those in international organisations. This includes among others head of states, members of government, members of parliaments, judges of supreme courts.
- Extends its scope to address new threats and vulnerabilities:
 - by ensuring for instance a coverage of the **gambling sector** (the former directive covered only casinos) and by including an explicit reference to **tax crimes**.
- Promotes high standards for anti-money laundering:
 - by going beyond the FATF requirements in bringing within its scope all **persons dealing in goods or providing services for cash payment of €7,500 or more**, as there have been indications from certain stakeholders that the current €15,000 threshold was not sufficient. Such persons will now be covered by the provisions of the Directive including the need to carry out customer due diligence, maintain records, have internal controls and file suspicious transaction reports. That said, the directive provides for minimum harmonisation and Member States may decide to go below this threshold.
- Strengthens the cooperation between the different national **Financial Intelligence Units** (FIUs) whose tasks are to receive, analyse and disseminate to competent authorities reports about suspicions of money laundering or terrorist financing.

The two proposals foresee a reinforcement of the sanctioning powers of the competent authorities by introducing for instance a set of minimum principle-based rules to strengthen administrative sanctions and a requirement for them to coordinate actions when dealing with cross-border cases.

Full details may be found here: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2013:0045:FIN:EN:PDF>

FSA

Insider dealing arrests

The Financial Services Authority (FSA) with the assistance of the Police Forces, in the City of London, the East Midlands and the North of England

have executed four search warrants in the City of London, Lincolnshire, Leicestershire and North Yorkshire. Five individuals including two men aged 37 and 62 and three women aged 39, 51 and 63 have been arrested and were in custody to be questioned in connection with an investigation in to Insider Dealing and Market Abuse.

FSA secures High Court victory against illegal land banking firm

The Financial Services Authority (FSA) has won a key victory in the battle against unauthorised businesses after the High Court declared that David Banner-Eve, Stuart Cohen, Asset Land Investments Plc and Asset L.I. Inc. ran an illegal land bank by operating a collective investment scheme without FSA authorisation.

In addition to the FSA's case, Trading Standards is currently conducting a criminal investigation into Asset Land, Cohen and Banner-Eve.

Three arrested in FSA insider dealing investigation

The Financial Services Authority (FSA), with the assistance of the Metropolitan Police Service, have executed six search warrants in the City of London and Greater London Area. Three men aged 33, 37 and 39 have been arrested and are currently in custody to be questioned in connection with an investigation in to insider dealing and market abuse.

No further details can be confirmed at this time and no individuals have been charged. The arrests are not linked to any other ongoing insider dealing investigation

The Financial Conduct Authority

The Financial Services Act 2012, which comes into force on 1 April 2013, will replace the Financial Services Authority.

The FCA will be the new regulator and will be responsible for conduct regulation of deposit taking firms and regulating all other firms such as payment institutions.

HMRC

Updated Anti-Money Laundering guidance for High Value Dealers

HM Revenue & Customs (HMRC) is amending the Registration Guide for High Value Dealers and the Anti-Money Laundering guidance for High Value Dealers to clarify linked transactions.

HMRC has made the guidance about High Value Payments clearer where a business accepts cash payments amounting to €15,000 or more (this applies to the equivalent of €15,000 Euros in any currency). The change makes it clear to businesses that in these circumstances they should be registered with HMRC and supervision does apply to them.

Accepting cash payments over a period of time can lead to an increased risk of money laundering. The Money Laundering Regulations 2007 refer to

linked transactions and this clarification to the guidance is designed to help businesses understand when transactions should be classed as linked.

Any business that takes cash payments for goods that cost €15,000, or more, over any 90 day period should be registered under the Money Laundering Regulations.

Below is a summary of all the circumstance that HMRC class as High Value Payments:

- a single cash payment of €15,000 or more;
- several cash payments totalling €15,000 or more, including a series of payments and payments on account;
- cash paid by a customer totalling €15,000 or more in any 90 day period;
- cash payments totalling €15,000 or more which appear to have been broken down into smaller amounts to come below the High Value Payment limit.

OFT

OFT fines Leicester-based estate agent

The OFT has fined Leicester-based IPS Estate Agents Limited £11,844 for failing to comply with anti-money laundering regulations.

IPS failed to comply with a number of requirements under the Money Laundering Regulations 2007, including those relating to:

- verifying the identity of customers;
- keeping appropriate records;
- ensuring that relevant staff are aware of the law relating to money laundering and terrorist financing; and
- establishing and maintaining appropriate, risk-sensitive policies and procedures.

The failures relate to the period between March 2010 and October 2011. The OFT visited IPS premises to check compliance with the Regulations in June 2011 and again in October 2011.

Kate Pitt, OFT Deputy Director of Anti Money Laundering, said:

This fine sends out a message to all estate agents that they need to have appropriate measures in place to prevent their business from being used for money laundering or terrorist financing purposes.

OFT fines Leeds-based estate agent

The OFT has fined Leeds-based Oliver James Estates and Land Agents Limited £2,000 for failing to register with the OFT.

All estate agents and some credit lending businesses need to register with the OFT as part of their responsibilities under the Money Laundering Regulations 2007.

Despite the OFT repeatedly contacting and advising Oliver James between November 2011 and February 2012 of the need to register, the business failed to do so.

Kate Pitt, OFT Deputy Director of Anti-Money Laundering, said:

We will not hesitate to take action against any estate agents and lenders that fail to register with the OFT.

SFO

JJB Sports Plc: Two men charged

Two men have appeared before Leeds Magistrates' Court in response to a summons in connection with forgery and misleading statements made to the market by JJB Sports Plc in 2009.

Sir David Charles Jones (70) of Ilkley, West Yorkshire was the Executive Chairman of JJB Sports Plc between January 2009 and January 2010. He is charged with:

- two offences of making a misleading statement, contrary to s397(1)(b) of the Financial Services and Markets Act 2000;
- one offence of using a false instrument, contrary to s 3 of the Forgery and Counterfeiting Act 1981.

Stuart Mark Jones (38) of Bingley, West Yorkshire is the son of Sir David Jones and was employed as Head of Marketing at JJB Sports plc in February 2009. He is charged with:

- one offence of aiding and abetting Sir David Jones's use of a false instrument, contrary to s 3 of the Forgery and Counterfeiting Act 1981.

Both defendants were released on unconditional bail. Proceedings are to be transferred to a Crown Court for 19 April 2013.

SFO acts to recover criminal gains after death of defendant

The Director of the Serious Fraud Office (SFO) has taken action in the High Court, which has resulted in an Order that the Estate of a convicted fraudster surrender over £64,000 which represents the proceeds of his crimes.

In September 2011 Mr Redmond Johnson, then 66, pleaded guilty to his role in a fraud which netted over £8 million. He and six co-defendants convicted of the fraud were sentenced to nearly 40 years' imprisonment in October 2011. Mr Johnson's sentence was three years' imprisonment following his agreement to give evidence for the prosecution.

Mr Johnson was taken ill on the day of his confiscation hearing. He was taken to hospital and died shortly afterwards. Consequently no compensation order was made by the court.

SFO investigators linked much of Mr Johnson's estate to his fraudulent activities, and pursued his criminal gains under the Proceeds of Crime Act 2002.

Whilst some of the victims could have pursued their losses through the civil courts, the cost of such proceedings would have outweighed the recoverable amount. The compensation will range from a few pounds to several hundred pounds and is to be distributed to over 475 victims. It will be in addition to any sums recovered from Mr Johnson's co-conspirators. Compensation proceedings against them are on-going.

Any funds which are not claimed by the victims on the schedule, within a specified period of time will be, under the terms of the order, considered as recoverable property. This process will ensure that the cost of administering the distribution, which is being met by the SFO, will be proportionate and finite.

SFO Director David Green CB QC said:

The SFO's decision to reach a settlement, considering the circumstances of this case, ensures victims will obtain at least some compensation.

Three men charged in Ponzi-style scheme

Three men have appeared at City of London Magistrates Court charged with conspiracy to defraud investors in an alleged investment fraud related to electrical contracts in the hotel sector.

The defendants are:

- Jolan Marc Saunders (age 36) of Buckhurst Hill.
- Michael Dean Strubel (age 51) of London.
- Spencer Mitchell Steinberg (43) of Radlett.

They attended Hatfield police station on 5 March 2013 answering police bail in connection with Saunders Electrical Wholesalers Limited, London and making false representations that the company had high value contracts with blue chip hotel chains (and latterly the Athletes Village) that required investment funding attracting good rates of interest. They were charged at the police station and bailed to appear before City of London Magistrates.

All three have been charged with conspiracy to defraud and Jolan Saunders was additionally charged with acting as a director of a company whilst disqualified. The alleged fraudulent events took place between 2006 and 2010. Around £40 million is estimated to have been attracted to the scheme.

SOCA

New guidance on submitting a SAR is available on the SOCA website

Revised guidance on submitting a Suspicious Activity Report (SAR) is now available on the SOCA website under UK Financial Intelligence Unit Publications (UKFIU). This replaces the 'Top Ten Tips' document that was previously available.

This new guidance provides advice and best practice to follow when making a SAR to alert Law Enforcement Agencies that certain client/customer activity is in some way suspicious and might indicate money laundering or terrorist financing.

Man jailed for £200m money laundering racket

A London man who provided a ‘bespoke money laundering service’ to organised crime groups has been jailed for nine years.

Ussama El-Kurd, aged 65, of Lynwood Road, Ealing, who operated the Kensington Money Exchange and was responsible for ‘cleaning’ around £200m in dirty money, was sentenced at the Old Bailey after previously pleading guilty to money laundering offences.

A Serious Organised Crime Agency investigation based around the activity of the money exchange uncovered the conspiracy to launder the proceeds of crime.

On 6 July 2010, a criminal associate of El-Kurd was seen entering the money exchange with a large holdall. A short time later he was seen to re-visit the premises, leaving with a much smaller bag which a search revealed to contain nearly a quarter of a million Euros in high denomination notes. El-Kurd was arrested the same day and over half a million in numerous currencies was recovered.

Further enquiries revealed that the money exchange had purchased in excess of 240 million Euros from foreign exchange wholesalers in a little over three years, but the business could only show £5m passing through the corporate accounts. In total, financial investigators estimated that around £200 million had passed through the exchange, without any records or official accounts being kept.

Brendan Foreman, SOCA Regional Head of Investigations, said:

El Kurd was responsible for providing a bespoke money laundering service to his criminal associates that has seen hundreds of millions of illicit money concealed from the authorities, repatriated overseas or reinvested almost certainly to fund transnational crime. His victims have been the general public, many of whom will have been harmed, in one way or another, by the crimes of those he chose to represent.

This was no legitimate business venture, it was simply an enterprise designed to enable criminals to prosper while living lives of luxury in foreign jurisdictions. El Kurd has personally profited and the considerable assets he managed to accrue will now be pursued through the courts.

This investigation will have had a significant impact on organised crime groups operating in the UK and overseas. Many have had their criminal proceeds seized while others have been denied access to a money laundering mechanism that operated under the guise of an ostensibly legitimate business on a UK high street. That will have

significantly disrupted their activities and, consequently, will render them more vulnerable to the endeavours of SOCA and its partners.

El-Kurd's wife, Randa, and son, Hussam, who had both been arrested as part of the investigation, pleaded guilty to regulatory offences in relation to money laundering and offences under the Proceeds of Crime act 2002. They were each sentenced to 10 months' imprisonment.

El Kurd was also made subject of a Serious Crime Prevention order which will further restrict his ability to commit, engage or facilitate in this type of crime when he's eventually released from prison. Breaches are punishable by up to five years imprisonment and an unlimited fine.

International drug traffickers sentenced

A network of international organised crime groups responsible for importing over 52 tonnes of cannabis and cocaine into the United Kingdom have been completely dismantled.

Sentences totalling 189 years have been handed out during the five-year investigation led by SOCA. Today at Liverpool Crown Court the last remaining kingpin, Philip Baron, aged 57, pleaded guilty to conspiracies to import drugs and money laundering.

Baron, who is originally from Salford but had been living in Ireland for the last 15 years, will be sentenced in June. He had fought extradition for over two years before losing an appeal at the Supreme Court in Dublin last November.

Among those already sentenced were two of his close criminal associates who headed their own crime groups. Walter Callinan, aged 60, from Stoke, and Paul Hewett, aged 55, from Hampshire, arranged the importation of drugs while based in Spain. Callinan was jailed for 11 years and Hewett received 20 years.

Steve Baldwin, Head of Investigations in the North West for SOCA, said:

There's no doubt Baron and his associates were operating at the top end of organised crime. He lived a lavish lifestyle abroad, portraying himself as a legitimate businessman, while orchestrating the importation of huge amounts of drugs into the UK.

There is clear evidence that his criminal activity was having a direct impact on communities in many of our towns and cities. He recruited people whom he could trust to perform specific roles and moved drugs and cash around in a business-like fashion. Baron thought he was untouchable but through our national and international partnerships we were able to completely dismantle his crime group and other ones he was linked to.

SOCA has worked closely with 16 UK police forces, six foreign law enforcement agencies, the Prison Service, the Crown Prosecution Service Organised

Crime Division and a number of other organisations during the investigation. There have been drug and cash seizures throughout the UK as well as in Spain and South America.

Financial investigations into Baron and his associates are currently underway.

Carbon Credit Thieves Jailed

Three men who attempted to steal nearly €8million worth of carbon credits have been sentenced to more than five years following an international investigation by SOCA.

The case concerned a computer hacking ring that between June and November 2011 attacked the web sites of carbon credit registries and brokerages, banks and financial services companies.

On 12 October 2011, an unauthorised transfer of 350,000 European Union Allowances (EUAs) – also known as carbon credits – worth approximately €3.7m occurred on the Spanish Carbon Credit Registry RENADE. The EUAs were transferred to the account of a UK-Registered broker, who sold 8,340 of these to an unsuspecting third party for €89,000 before the Spanish authorities alerted the UK and the remaining 341,660 EUAs were frozen.

Earlier in October 2011, there had been an attempt to illegally transfer 426,108 Certified Emission Reduction (CER) credits – another type of carbon credit – worth approximately €4.1m from an account on the United Nations Clean Development Mechanism (UNCDM) Registry. This was thwarted by administrators who noticed an incorrect account number had been used in the attempted transfer.

On 17 November 2011 SOCA Officers arrested Matthew Beddoes of Telford, Shropshire, aged 32. Examination of his hard drives revealed numerous examples of other criminality. This included the hacking of other websites, identity theft and the creation of ‘phishing’ web pages designed to fool customers into providing their account and login details, thereby unwittingly allowing fraudulent access to their bank accounts. On 31 May 2012 he pleaded guilty to a number of offences including conspiracy to commit Computer Misuse Act offences against the UNCDM and Spanish Registries, fraud offences and money laundering.

Jandeep Singh Sangha of Aber Road, Leicester was arrested on 20 December 2011 and subsequently pleaded guilty to two money laundering offences

Jasdeep Singh Randhawa, aged 38 of Oadby, Leicester was arrested on 18 April 2012 and subsequently pleaded guilty to four offences related to conspiracy to commit Computer Misuse Act offences against the UNCDM and Spanish Registries.

On 18 March 2013, following a prosecution by the Organised Crime Division of the Crown Prosecution Service, Beddoes was sentenced to 2 years 9 months plus an additional 9 months to be served consecutively for offending whilst on remand. Randhawa was sentenced to 21 months and Sangha was given 12 months suspended for 2 years. An investigation has now commenced to confiscate their proceeds of crime.

Bribery Act

Self-reporting

It was reported by the Financial Times on 14 January 2013 that data from a Freedom of Information request shows 12 companies have confessed to the Serious Fraud Office that they had corruption issues in the year ending 31 March 2012, compared with seven during the previous two years. This suggests anti-bribery legislation, e.g. the introduction of the Bribery Act, is deterring at least some wrongdoing.

Other Financial Crime News

Kinloch (AP) v Her Majesty's Advocate

The Supreme Court, by a unanimous decision, dismissed an appellant's appeal against the use of evidence used by the prosecution in a money laundering trial where he stood accused. The evidence had been obtained by the police through covert surveillance. The Supreme Court held, *inter alia*, that there had not been a breach of the appellant's rights under the European Convention on Human Rights in the manner by which the evidence had been obtained. Also the Supreme Court considered a point of jurisdiction, and held that it had jurisdiction to hear the appeal.

Court dismisses whistle blower's employment claim against Coutts

A judge has dismissed an employment claim against Coutts by a money-laundering expert who has alleged the private bank went back on an offer of engagement as a contractor through a service company after finding out he had blown the whistle on his previous employer.

There is a lacuna in the whistle blower's regulations (Public Interest Disclosure Act 1998) which mean that they don't protect someone who has not yet become a worker. This case highlights that issue.

Apart from the service company issue, most right-thinking people would think that a whistle blower should be protected in the pre-employment period as they are once they start work. That could easily be dealt with by amending the regulations. This case might bring some pressure for such an amendment.

HSBC forms anti-crime committee

A panel of experts has been hired by HSBC in an attempt to increase its resistance to financial crime. The move follows two months after a \$2 billion fine from US authorities for money laundering and breaches of sanctions. The Financial System Vulnerabilities Committee will consist of five independent advisers and will help to identify the bank's exposure to criminal activities.

Among those on the panel will be the former head of the Serious Organised Crime Agency, Chris Hughes; former head of HM Revenue & Customs, Dave Hartnett; and former US deputy attorney-general, James Comey. The Committee will consider means of preventing money laundering and ensuring compliance with sanctions.

Two jailed in £1.8m money laundering fraud

An accountant and a solicitor who laundered more than £1.8 million pounds of criminal cash from VAT frauds have been jailed for a total of six and a half years, after an investigation by HM Revenue and Customs (HMRC).

Solicitor Richard Sutton Housley (57) from Edinburgh and accountant Caroline Jane Laing (55) from Denny were found guilty of jointly laundering over £1.8 million between February 2003 and December 2004.

Housley worked for a firm of solicitors where he was responsible, under the Proceeds of Crime Act, for reporting suspected criminal activity but was found guilty of failing to do so. He was also found guilty of falsifying employment records to avoid paying over £39,000 in income tax.

David Odd, HMRC's Assistant Director, Criminal Investigation in Scotland, said:

Both Housley and Laing gave the appearance of being upstanding members of the business community but they were involved in a complex and organised money laundering fraud over a long period. Given their professions as a solicitor and an accountant, Housley and Laing knew full well that they were breaking the law. However, they chose to abuse their positions of trust for the opportunity of making what they wrongly assumed would be easy money, at the expense of the UK taxpayer. They will now pay for their criminal activities.

The Proceeds of Crime Act was specifically designed to make it harder for money to be laundered and to deprive criminals of their illicit wealth. It is a vital element of HMRC's criminal investigation strategy

The £1,836,375, which had been laundered through bank accounts, first in Greece, Cyprus and Switzerland, then by Housley and Laing through banks in the UK, was the proceeds of VAT frauds linked to European sales of computer parts. A confiscation hearing to recover the criminal proceeds of the frauds was due to take place on 25 March 2013 at Edinburgh High Court.

DJ Jailed

A disc jockey from Dundee, who was involved in a £20.5 million VAT fraud, has been sentenced to nine years after an investigation by HM Revenue & Customs.

Shahid Ramzan (40) of Cortachy Crescent in Dundee was found guilty in December 2012 of tax evasion and money laundering, linked to a complex mobile phone trading scam. Ramzan had set up a number of companies in Scotland and Spain to trade in mobile phones across Europe. However, the majority of the trading was fraudulent and the Spanish companies were in reality being run from addresses in Dundee.

Confiscation Order

Convicted criminal Jasbinder Bedesha will be spending a further 10 years in jail for failing to pay a £14 million confiscation order after a hearing at Leamington Spa Crown Court.

The fraudster was jailed for seven and a half years in 2008 for his role in a conspiracy to steal £38 million in a 'missing trader' VAT fraud after an investigation by HM Revenue and Customs.

£250m fraudster jailed

The sixteenth member of a gang involved in one of the UK's largest ever VAT 'missing trader' frauds has been jailed for six years.

Shehwad Ashraf, from Berkshire, tried to avoid justice by fleeing to Dubai in 2004 but HM Revenue and Customs (HMRC) issued an international arrest warrant and he was extradited from Dubai to the UK last year to face trial.

Fifteen other career criminals were jailed for almost 100 years, in six previous trials, for their part in the £250 million VAT conspiracy, based on the supposed import and export of mobile phones.

HMRC has also issued a 'wanted appeal' after the issue of international arrest warrants for three other men. Javed Mohammed (43) and his younger brother Mohammed Javed (40), both formerly of Stoke on Trent, and Shoket Khan (46), formerly of Cardiff, were last known to be in Dubai, with links to Pakistan.

Man convicted following £52m money laundering racket – Derby

A man has been jailed for three and a half years following an investigation into one of the biggest money laundering operations ever uncovered in the East Midlands. The man was paid £200 a week by criminals, who would bring money to be laundered to his home. He would then count the money, enter the amount in account books and store the cash until he received instructions on where to deliver it. Investigating officers found £171,000 at his home.

FATF

FATF Public Statements

The latest FATF statements on high-risk and non-cooperative jurisdictions/ Improving Global AML/CFT Compliance: on-going process, were issued on 22 February 2013. This led to the subsequent HMT Advisory Notice referred to above.

Revised Guidance on AML/CFT and Financial Inclusion

This FATF Guidance aims to provide support in designing Anti-Money Laundering and Terrorist Financing (AML/CFT) measures that meet the goal of financial inclusion, without compromising the measures that exist for the purpose of combating crime. The revised Guidance, reflects the changes

made to the FATF Recommendations in 2012 and focuses in particular on the reinforcement of the risk-based approach (RBA), as a general and underlying principle of all AML/CFT systems.

Mutual Evaluation Reports

Documents were published relating to Italy and Georgia.

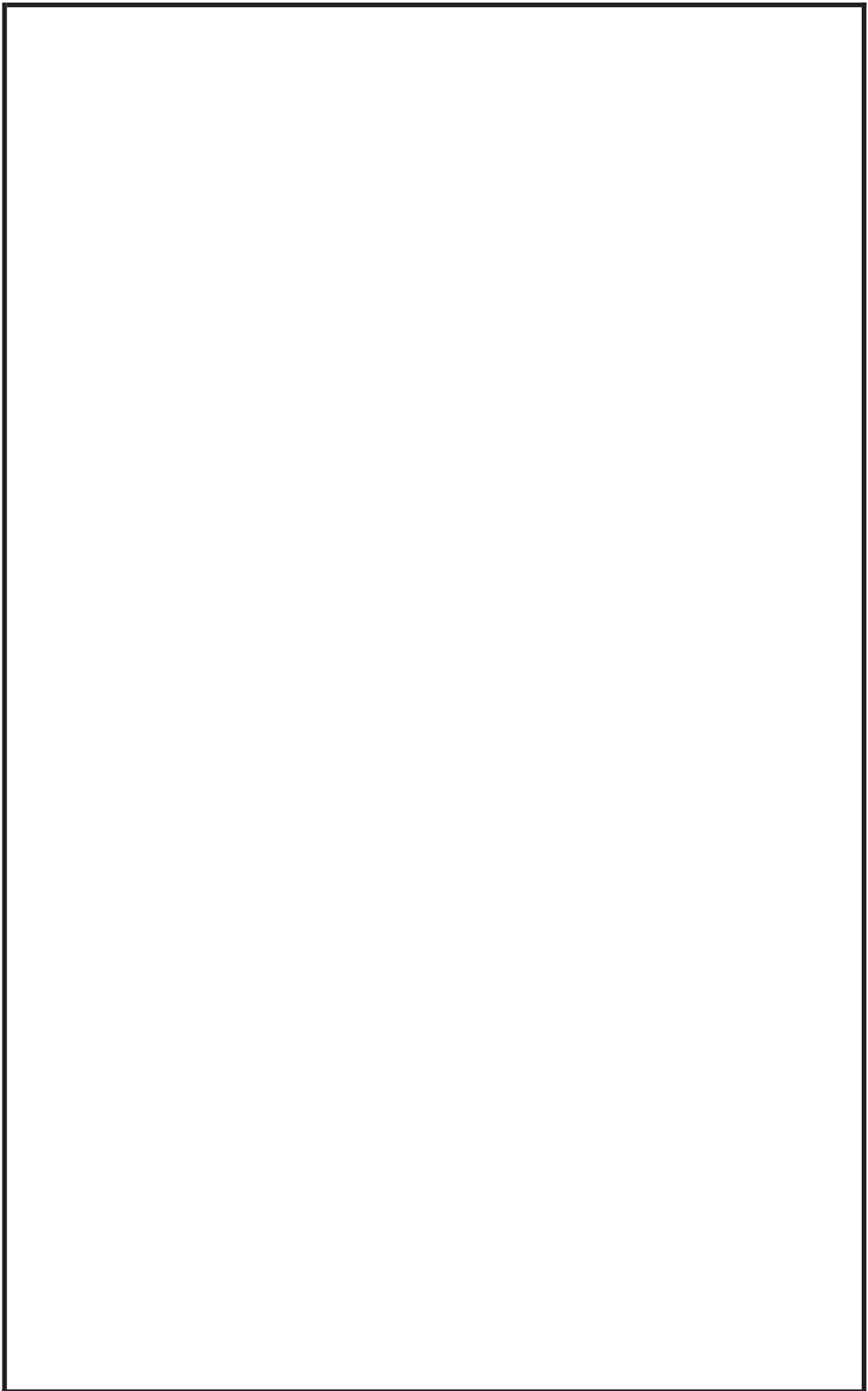
INTERNATIONAL ROUND-UP

India: Reserve bank probes money-laundering claims

It was reported by the Financial Times on 16 March 2013 the Reserve Bank of India is investigating allegations of money-laundering at branches of ICICI, HDFC Bank and Axis Bank. The three banks are also investigating the claims, which centre on alleged video evidence of employees helping potential customers to launder funds.

The allegations follow an investigation by online magazine, Cobrapost, which claims to have video evidence of employees helping potential customers to launder funds.

ICICI, HDFC Bank and Axis Bank are India's three largest private sector banks by assets.



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