

Summary of relevant output on Money Laundering and Financial Crime for the Period: 01/1/2008 to 31/3/2008

Sites Reviewed

British Bankers' Association (BBA) www.bba.org.uk
BBC News www.bbc.co.uk/news
Committee of European Securities Regulators (CESR) www.cesr-eu.org
Commodities Futures Trading Commission (CFTC) www.cftc.gov
Financial Action Task Force (FATF) www.fatf-gafi.org
Financial Services Authority (FSA) www.fsa.gov.uk
HM Treasury (HMT) www.hm-treasury.gov.uk
Joint Money Laundering Steering Group (JMLSG) www.jmlsg.org.uk
Reuters <http://www.reuters.com/>
Serious Organised Crime Agency (SOCA) www.soca.gov.uk
Transparency International (TI) www.transparency.org.uk

FATF

FATF Terrorist Financing Report

This report provides a snapshot of:

- (1) the ways terrorist organisations *use* funds,
- (2) the ways terrorists *raise* funds,
- (3) the tools used by terrorists to *move* funds and
- (4) the global response to terrorist financing.

<http://www.fatf-gafi.org/dataoecd/28/43/40285899.pdf>

FATF Statement February 2008

The FATF has stated its concern about the lack of comprehensive AML/CFT systems in Uzbekistan, Iran, Pakistan, Turkmenistan, São Tomé and Príncipe and the northern part of Cyprus.

<http://www.fatf-gafi.org/dataoecd/16/26/40181037.pdf>

BBA

Warning of Fraudulent Activity

In common with other organisations, the name of the BBA and the names of some of its staff are from time to time used in fraudulent communications from criminals in an attempt to perpetrate fraud against innocent people. This illegal activity can take the form of fraudulent emails, replication of faxes, fake "clearance" and other certificates purporting to be signed or certified by BBA officials, fraudulent letters, replication of websites and emails in the name of the BBA and/or its staff and the creation of false BBA switchboard and telephone numbers.

<http://www.bba.org.uk/bba/jsp/polopoly.jsp?d=840&a=6642&artpage=all>

FSA

FSA helps investors get over £1m back from boiler rooms

The Financial Services Authority (FSA) has helped 153 investors to get back over £1m, after they were illegally sold shares by unauthorised, overseas investment firms also known as boiler rooms.

<http://www.fsa.gov.uk/pages/Library/Communication/PR/2008/020.shtml>

Financial Crime newsletter Issue No.10 Jan 08

- There are new notification requirements on authorised firms. Under the 2007 ML regulations firms must inform the FSA if they act as money service providers or trust or company services providers. There are also increased customer due diligence requirements such as the need to verify the identity of beneficial owners and the requirement to apply enhanced due diligence measures to politically exposed persons.
- The FSA fined Norwich Union life £1.26 million as it failed to take reasonable care to establish and maintain effective systems and controls to counter the risk that it might be used to further financial crime.
- The UK is currently serving a 12 month term in the presidency of the Financial Action Task Force. It has called on all firms to consider the greater risks when dealing with Iran (Iran has been deemed not to have sufficient AML and CTF controls)
- SOCA has developed new ways in which it wants firms to report to it. The SAR's regime (Suspicious Activity Reports) has been developed to enable more sophisticated analysis, shift the focus from SARs to entities (linking names, telephone numbers and companies rather than just reports) and more effective information sharing. These changes will be implemented in phases, with information going out to firms as is necessary. Firms need to be aware that from 1 April 2008 reports made to SOCA must be made in a prescribed form to avoid committing a criminal offence. Prescribed forms include making a report via SAR online and Money web. There is also a form which is available on the SOCA website, which must be filled in electronically and submitted to SOCA.

http://www.fsa.gov.uk/pubs/newsletters/fc_newsletter10.pdf

FSA publishes commentary on systems and controls, in light of Societe Generale 'Rogue Trader'

Since SG's announcement on January 24 2008, FSA supervisors have spoken informally to 50 of the largest trading banks in London. Many have already put in place reviews to identify and correct gaps that may exist in their trading controls. Market Watch highlights the measures firms should consider when reviewing the systems and controls which protect them against 'rogue trader' risk.

<http://www.fsa.gov.uk/pages/Library/Communication/PR/2008/022.shtml>

HM Treasury warns of higher risk of money laundering and terrorist financing

Firms should be aware of a notice issued on 29 February by HM Treasury regarding the lack of comprehensive Anti-Money Laundering (AML) and Combating Terrorist Financing (CFT) systems in Uzbekistan, Iran, Pakistan, Turkmenistan, São Tomé and Príncipe and the northern part of Cyprus.

http://www.fsa.gov.uk/pages/Library/Communication/Statements/2008/hmt_ml.shtml

SOCA

Online Fraud and Scams

SOCA has found that criminals are increasingly utilising the branding of many public and private sector organisations in an attempt to trick people into revealing private information or making advance payments for goods that will not be received.

<http://www.soca.gov.uk/downloads/eCrime.pdf>

The Times

Britain told to tighten controls on foreign crooks with £15bn to hide.

The US State Department has suggested that Britain should tighten controls on the gambling industry, and monitor the activities of wealthy foreigners to combat money laundering. The annual International Narcotics Control Strategy Report identified Britain as a “jurisdiction of primary concern”, estimating that £15 billion of criminal profits is processed through Britain every year.

<http://www.timesonline.co.uk/tol/news/politics/article3593953.ece>