



# Welcome to the ICA Hot Topic Event



# International Regulatory & Advisory Updates

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# Latest Hot Topics in AML: What's happening in the world of Regulatory & Advisory?

- Financial Action Task Force
- Wolfsberg
- Egmont Group
- OFAC & EU Sanctions
- Enforcement

# Financial Action Task Force (20-22 Feb 2019)

Major Strategic Initiatives:

- Evolution of terrorist financing strategies
- Regulation of Virtual Assets

Other Initiatives:

- Risk-Based Approach Guidance papers
  - New: Life insurance sector & Securities providers
  - Future: Lawyers, Accountants & Trust and Company Service Providers

# Financial Action Task Force

## Mutual Evaluations and Follow-Up Reviews

### Latest MERs:

- China, Finland, Israel and United Kingdom

## Update on High-risk and other monitored jurisdictions

- DPRK: still apply counter-measures
- Iran: counter-measures suspension continues (until June 2019)
- Bahamas, Botswana, Ghana & Cambodia; added to monitored list, each provided a written high-level political commitment

# Wolfsberg Group

## Toolkit for Tackling Human Trafficking

- Set of "red flag" indicators tailored specifically to financial institutions
- Case studies & resources that will help the detection, and reporting, of suspicious patterns in financial activity that may be linked to human trafficking

## International Labour Organization (ILO)

- Estimated 40.3 million victims trapped in modern-day slavery

# Human Trafficking – UK Case Study

- Cash deposits
- Property rental
- Mobile phone purchase – 41 in one month
- Travel purchases
- Advertising costs
- House security costs

# Egmont Group

## Set of Indicators for Corruption Related Cases

### Distortions in Tenders and Purchasing

- Contractors & subcontractors are linked: tel, IP-address, etc.

### Unexplained Wealth or Income

- PEPs receive 'debt forgiveness' or credit repayment waived

## Concealment of Beneficial Ownership (Joint FATF-Egmont)

- Methods criminals use to hide beneficial ownership
- >100 case studies provided by 34 jurisdictions
- focus on the involvement of professional intermediaries



# OFAC – Sanctions update

Russia:

- Nov18: Sanctions targeting Iran's oil sector, shipping, insurance and central bank re-imposed
  - Relist hundreds of individuals, entities, vessels, and aircraft
- Decrease: 3 power & aluminium companies lifted

Iran Jan19

- Iran-based cargo airline: transporting fighters & weapons to Syria on behalf of the Iranian military. Owned by Mahan Air
- Germany banned Mahan Air from flying in or out of the country

# Automotive Industry - Tesla

- Tesla Inc. (U.S.-based company) source batteries from...
- Panasonic Corporation (Japan-based company) who source cobalt from...
- Sherritt International Corp (Canada-based company)...
- which has 50-50 JV with SOE in Cuba!
- Global cobalt supply is dominated by the Democratic Republic of Congo

# EU – Sanctions update

The Maldives - Island paradise?

- Framework for targeted sanctions against persons - rule of law & serious human rights violations. UK post-Brexit

UK post-Brexit to have autonomous sanctions regime

- OFSI first fine £5k (baseline £10k) for a £200 single transaction – Egypt regime

# AML Enforcement

# Commonwealth Bank of Australia

'Systemic non-compliance'

- A\$700M (€455M) fine. Admitted to >53k breaches of AML/CFT law
- Weak RBA on intelligent deposit machines
- Failed to report SARs \$77M & TTRs \$624.7M
- Data security breach: 20 million customers

# ING Group

Violating AML/CTF "structurally and for years"

- €775 million fine
- €100 million fine for not investing!

Staff impact

- Board of directors renounce any bonus for 2018
- Legal action against current and former staff for AML failings
- CFO resigned

# Danske Bank

Denmark: public prosecutor investigating serious economic and international crime under the country's anti-money-laundering act

Estonia: 10 former employees arrested on suspicion of knowingly enabling money laundering

France: January 2019 investigation into organised money laundering of tax evasion proceeds

U.S.: considering investigation

- Net profit down 28 percent on 2017
- NY pension fund suing Danske Bank and 4 former executives for concealing its money laundering scandal
- Friction between Denmark (home) & Estonia regulator

# Financial Crime Compliance qualification framework

## ICA Professional Postgraduate Diploma in Financial Crime Compliance

ICA Diploma in Financial Crime Prevention		ICA International Diploma in Anti Money Laundering	
<b>ICA Advanced Certificate in Managing Fraud</b>	<b>ICA AdvCert Managing Sanctions Risk</b>	<b>ICA International AdvCert AML</b>	<b>ICA AdvCert Practical Customer Due Diligence</b>
<b>ICA Certificate Financial Crime Prevention</b>	<b>ICA Cert Anti Money Laundering</b>	<b>ICA Cert Managing Sanctions Risk</b>	<b>ICA Cert KYC and CDD</b>
<b>ICA Specialist Certificate Combating Financing of Terrorism</b>	<b>ICA SpecCert Managing Financial Crime in Global Banking &amp; Markets</b>	<b>ICA SpecCert ML Risk in Correspondent Banking</b>	<b>ICA SpecCert Trade Based Money Laundering</b>
<b>ICA SpecCert Managing Financial Crime in Mobile Financial Services</b>	<b>ICA SpecCert Anti-Corruption</b>	<b>ICA SpecCert ML Risk in Betting and Gaming</b>	<b>ICA SpecCert ML Risk in Private Banking</b>



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Q&A

Over to you