

Proceeds of Crime Act confiscation powers come into force - 30 December 2002

New powers allowing police and customs officers to seize criminals' assets came into force on Monday 30 December. This means that money can be confiscated from all types of criminals and not just drug dealers, as previous laws allowed. Police and customs officers can now search for cash anywhere in the UK and not just at the country's borders as was previously allowed.

Where money suspected to have come from crime amounts to more than £10,000, magistrates can order its seizure. Even when there is no criminal prosecution, a new assets recovery agency can now step in: it will be able to sue suspected criminals in the civil courts and if that fails they will be pursued with tax demands. By 2004 the government hopes to have doubled the amount of cash seized each year to £60 million.

For more information, please visit the [Proceeds of Crime Act page](#) of the Home Office website.

[Back to top of page](#)

FATF applies counter-measures to the Ukraine but not to Nigeria - 20 December 2002

The Financial Action Task Force has directed its members to apply counter-measures to the Ukraine, because of its "failure to enact anti-money laundering legislation that meets international standards". Nigeria has escaped counter-measures - for the moment - thanks to its implementation of the Money Laundering (Amendment) Act 2002 on 14 December. Both the Ukraine and Nigeria remain on the FATF's list of non-cooperative countries and territories.

For more information, please see the relevant [FATF press release](#).

[Back to top of page](#)

"High risk" males required to register in the US - 19 December 2002

Men in the United States who are from countries considered high risk for terrorists are required to register personal details (including fingerprints and photographs) with the Immigration and Naturalization Service. Deadlines for registration vary, but most fall in January and February 2003.

The countries whose male citizens have to register are: Afghanistan, Algeria, Bahrain, Eritrea, Iraq, Iran, Lebanon, Libya, Morocco, North Korea,

Oman, Pakistan, Qatar, Saudi Arabia, Somalia, Sudan, Syria, Tunisia, the United Arab Emirates and Yemen.

The registration program, which has drawn sharp criticism from Muslim activist groups as heavy-handed and unlikely to identify any terrorists, does not apply to permanent residents, men with INS "green cards" or naturalised citizens from the affected countries. Women and children are excluded because their numbers would have made the program impossible to administer. Men who fail to register can be deported.

[Back to top of page](#)

FSA fines RBS £750,000 for weaknesses in laundering controls - 17 December 2002

The Financial Services Authority has levied a fine of £750,000 on the Royal Bank of Scotland plc. According to the FSA press release, "the steps RBS took to satisfy itself that their clients really were who they claimed to be were inadequate". Specifically, investigations by the FSA revealed that RBS had failed to obtain or keep customer identity verification documentation for an "unacceptable" number of accounts opened in early 2002.

The FSA did stress that there was no evidence of actual money laundering, but that the fine showed that the FSA is taking the issue of money laundering compliance "very seriously indeed". In response, RBS said that weaknesses in its controls had been corrected and that it had introduced group-wide monitoring to prevent any further such lapses.

The full press release can be found on the [FSA website](#).

[Back to top of page](#)

President Bush creates Department of Homeland Security - 19 November 2002

In a further response to the terrorist attacks of September 2001, and with a majority of 90-9, the US Senate has voted into being the mammoth Department of Homeland Security. The second-biggest US government department ever, the DHS will have 170,000 employees and will take under its wing twenty-two previously independent departments, including:

- the Customs Service
- the Immigration and Naturalization Service
- the Federal Emergency Service
- the Border Patrol
- the US Coastguard
- the Secret Service.

To find out more, visit the [DHS website](#).

[Back to top of page](#)

Thinking about Crime adds document links to website - 8 November 2002

In an effort to make its website even more useful, it is now possible to link straight to some useful documents. To do this, go to the [Links](#) page and click on Public documents.

[Back to top of page](#)

UK government publishes draft Money Laundering Regulations 2003 - 5 November 2002

HM Treasury has published a draft statutory instrument, intended to ensure that the UK's anti-money laundering legislation meets the requirements of the second EU directive on money laundering. Specifically, the revised Regulations will extend their requirements much wider, encompassing such lines of business as estate agencies, auction houses, external accountants and casinos.

HMT has also published a consultation paper, asking for comments on the revised legislation to be submitted by 14 February 2003.

It is anticipated that - allowing for the consultation process - the new Regulations will come into force on 1 June 2003.

The draft Regulations and the consultation paper can both be downloaded from the [HM Treasury website](#).

[Back to top of page](#)

Jersey issues latest money laundering guidance update - 24 October 2002

The Jersey Financial Services Commission has issued the fifth in its series of anti-money laundering guidance updates. This fifth update revises the JFSC's guidance on wire transfers, and makes changes to Appendix D of the Jersey *Guidance Notes*.

This update (and the four previous updates) can be downloaded from the [JFSC website](#) (on the Anti Money Laundering / Updates page).

[Back to top of page](#)

FSA publishes Money Laundering Sourcebook (Amendment) Instrument 2002 - 17 October 2002

The Financial Services Authority has published the Money Laundering Sourcebook (Amendment) Instrument 2002, which makes changes to the FSA's *Money Laundering Sourcebook*. The changes will take effect from 1 December 2002, and are designed to bring the *Sourcebook* into line with recent legislation (notably the Anti-Terrorism, Crime and

Security Act 2001 and the Proceeds of Crime Act 2002) and the Money Laundering Regulations 2001.

The five-page instrument can be downloaded from the [FSA website](#).

[Back to top of page](#)

FATF publishes guidance for non-profit organisations - 11 October 2002

The Financial Action Task Force has published a ten-page paper entitled "Combating the Abuse of Non-Profit Organisations: International Best Practices". The paper opens with the statement that "the misuse of non-profit organisations for the financing of terrorism is coming to be recognised as a crucial weak point in the global struggle to stop such funding at its source", and covers such topics as financial transparency, administration and oversight bodies, as well as giving case studies involving non-profit organisations.

The paper can be downloaded from the [FATF website](#).

[Back to top of page](#)

FATF updates list of NCCTs - 11 October 2002

The Financial Action Task Force held a plenary meeting in Paris on 9-11 October, and announced further developments in its non-cooperative countries and territories (NCCT) initiative. Four countries - Dominica, the Marshall Islands, Niue and Russia - were rewarded for their anti-money laundering efforts by being removed from the list. Two listed countries - Nigeria and the Ukraine - were told that they have until 15 December to make substantial improvements to their anti-money laundering regimes or face (unspecified) counter-measures.

There are now fifteen NCCTs: the Cook Islands, Egypt, Grenada, Guatemala, Hungary, Indonesia, Israel, Lebanon, Myanmar, Nauru, Nigeria, the Philippines, St Kitts and Nevis, St Vincent and the Grenadines and the Ukraine.

Further information about the NCCT initiative can be found on the [FATF website](#).

[Back to top of page](#)

NCIS announces agenda for annual financial investigators' conference - 19 September 2002

The UK National Criminal Intelligence Service (NCIS) has published the agenda for its financial investigators' conference, which will be held in Warwickshire on 11 and 12 November 2002. The conference will focus on terrorism, hawala services, the functions of the new Assets Recovery Agency, and other subjects surrounding money laundering and confiscation.

For more information about the conference, please visit the [NCIS website](#).

[Back to top of page](#)

Guernsey publishes revised Guidance Notes - 22 August 2002

The Guernsey Financial Services Commission (GFSC) has published the latest version of its money laundering guidance notes. Renamed "Guidance Notes on the Prevention of Money Laundering and Countering the Financing of Terrorism", the notes take into account the enactment of the Terrorism and Crime (Bailiwick of Guernsey) Law 2002 and other anti-terrorism legislation.

The notes came into force on 14 August 2002, and can be downloaded from the [GFSC website](#).

[Back to top of page](#)

Former Enron executive pleads guilty to money laundering - 21 August 2002

Michael Kopper, who used to work in the Global Finance unit of disgraced energy company Enron, has pleaded guilty to charges of money laundering and wire fraud. As part of his plea deal, Kopper agreed to co-operate with prosecutors and pay back US\$12 million of assets. Prosecutors believe that Kopper, who worked closely with Enron chief financial officer Andrew Fastow, was privy to the darkest financial secrets of the organisation and will give them the evidence they need to make further, more damaging prosecutions.

The Enron story is covered in depth on the Business pages of the [BBC news website](#).

[Back to top of page](#)

Treasury approves JMLSG Guidance Notes - 30 July 2002

Ruth Kelly, Financial Secretary to the Treasury, has approved the December 2001 edition of the *Guidance Notes for the Financial Sector* published by the Joint Money Laundering Steering Group (JMLSG).

This means that from now on courts will be obliged to consider whether an individual followed the recommendations of the *Guidance Notes* when deciding whether he has committed the offence of failing to disclose.

[Back to top of page](#)

Solicitor jailed for laundering offence - 30 July 2002

Jonathan Duff, formerly a senior partner in a Chester law firm, has been sentenced to six months in prison for failing to report a suspicion of money laundering. Duff, who is planning to appeal, is the first solicitor to be jailed in the UK for a laundering offence.

[Back to top of page](#)

Proceeds of Crime Bill receives Royal Assent - 24 July 2002

The Proceeds of Crime Bill has now received Royal Assent, and so the UK has on its statute books the Proceeds of Crime Act 2002. The Act establishes an Assets Recovery Agency, consolidates and strengthens existing criminal confiscation powers, introduces a new power of civil recovery, extends investigation powers - and tightens up money laundering legislation.

With regard to money laundering, the Act:

- updates, expands and unifies money laundering offences
- removes the distinction between drug and non-drug money laundering
- introduces a new obligation on those in the regulated sector to report where there are reasonable grounds to know or suspect that a person is engaged in money laundering.

The full text of the Act should soon be available via the [HMSO website](#).

[Back to top of page](#)

NCIS publishes third annual crime assessment - 22 July 2002

The National Criminal Intelligence Service has published its report entitled "The Threat from Serious and Organised Crime to the United Kingdom, 2002". This document describes and assesses the threats to the UK from

serious and organised crime, identifies the current and emerging threats and looks at how they are likely to develop.

The seven major threats identified by the report are:

- Class A drugs trafficking
- organised immigration crime
- fraud
- money laundering
- firearms
- hi-tech crime
- paedophile crime, including online child abuse.

The full text of the report can be downloaded from the [NCIS website](#).

[Back to top of page](#)

Major UK banks publish anti-money laundering commitment - 15 July 2002

Six major UK banks - Abbey National, Barclays, HBOS, HSBC, Lloyds TSB and The Royal Bank of Scotland Group - have published a "Statement of Principles for Fighting Crime and the Financing of Terrorism".

In this document, the signatories undertake to:

- work with government, the FSA, other banks, law enforcement agencies and the public to combat the financing of crime and terrorism
- sustain high standards of identification and KYC information
- re-confirm the identity of existing UK customers
- monitor transactions
- train employees
- meet legal and regulatory obligations
- work with industry bodies to promote high standards of anti-money laundering controls across the financial services industry.

The full text of the Statement of Principles can be viewed via the [Barclays website](#) (and also through the websites of the other signatories).

[Back to top of page](#)

FATF releases latest annual report and NCCT progress report - 21 June 2002

The Financial Action Task Force has published its latest annual report and progress report on non-cooperative countries and territories (NCCTs).

The *Annual Report 2001-2002* highlights the work that has been done by the FATF to counter terrorist financing and to identify non-cooperative countries and territories. It also reveals that South Africa has been invited to join as an observer at the FATF's next meeting in October 2002.

The progress report on NCCTs announces that four have been removed from the list: Hungary, Israel, Lebanon and St. Kitts and Nevis. No new NCCTs have been added. The FATF also recommends that additional countermeasures be taken against Nigeria from the end of October "if its government fails to enter into immediate contact with the FATF and enact adequate legal reforms".

To view the *Annual Report 2001-2002*, please [click here](#).

To view the progress report on NCCTs, please [click here](#).

[Back to top of page](#)

Bureaux de change now regulated - 31 May 2002

From tomorrow, all bureaux de change and other money services businesses have to meet tough new regulations to tackle money launderers.

From 1 June 2002, they have to register with HM Customs & Excise and meet requirements to:

- Confirm the identity of their customers
- Appoint a Money Laundering Reporting Officer
- Train their staff to spot possible money launderers
- Control their business with effective anti-money laundering procedures, and
- Keep records for at least 5 years.

[Back to top of page](#)

FATF asks for comments in review of Forty Recommendations - 30 May 2002

The Financial Action Task Force has now embarked on a major review of its Forty Recommendations, and has published a consultation paper. Comments on the consultation paper are invited from FATF members, non-members and any concerned organisations or individuals by 31 August 2002.

[Click here](#) to view the consultation paper, which outlines the main areas under discussion, and also explains the review process and how to submit comments.

[Back to top of page](#)

DTLR clarifies use of electoral roll for client identification - 16 May 2002

The Department of Transport, Local Government and the Regions has ruled that MLROs will be able once again to access the electoral roll through various credit checking agencies.

After the Robertson case last November, the government told the Electoral Commission that it could not share electoral details with any commercial organisation. Now, however, it has decided that there will be two versions of the electoral roll. A full version will be given to credit agencies for a limited number of "permitted purposes" (including KYC for the purposes of preventing money laundering), while an edited version (excluding voters who ask to be excluded) will be available to marketing departments.

[Back to top of page](#)

Susan Grossey publishes first book - 29 April 2002

Susan's first book was published this week by Informa. *Money Laundering - A Training Strategy* is the only practical guide to choosing, designing and delivering effective anti-money laundering training. For more details, please see the [Informa website](#) or contact [Susan](#).

[Back to top of page](#)

FATF publishes guidelines on detecting terrorist funds - 29 April 2002

The FATF has published a 16-page document designed to give guidance to financial institutions on spotting abuse of the financial system by terrorists. The paper does not have the status of regulation, but rather it provides guidance on the types of accounts and transactions which the FATF feels are targeted by terrorists seeking to launder their funds.

[Click here](#) to download the guidance papers in PDF format.

[Back to top of page](#)

OECD "welcomes the commitments" from offshore financial services to co-operate on tax issues - 28 February 2002

The OECD welcomed commitments made by various offshore financial centres to co-operate in the drive to eliminate harmful tax practices. Thirty-

five "tax havens" were provisionally listed, and given until 28 February to express their willingness to co-operate.

For further information about the OECD tax initiative, and to see which jurisdictions are willing to co-operate and which are not, please [click here](#).

[Back to top of page](#)

TaC contributes to Fraud Advisory Panel publication - 7 February 2002

The Fraud Advisory Panel (FAP) was established by the Institute of Chartered Accountants in England and Wales in 1998, and acts as a focal point for the generation and exchange of ideas and information on the nature and scope of fraud and how to detect and prevent it. Susan has served on the Education, Events and Training Working Group of the FAP for two years, and was involved in the writing of its most recent publication: "Fighting Fraud: A Guide for SMEs".

To find out more about this very practical Guide, please contact Susan. To view the Guide itself, please [click here](#).

[Back to top of page](#)

FATF releases latest money laundering typologies report - 1 February 2002

The Financial Action Task Force has published its annual typologies report on latest laundering techniques and concerns. The *Report on Money Laundering Typologies 2001-2002* highlights the topics of terrorist financing, correspondent banking, corruption and private banking, bearer securities and other negotiable instruments, co-ordinated money laundering by organised crime groups, and the introduction of Euro banknotes. The *Report* also presents several case studies.

To view the *Report*, please [click here](#).

[Back to top of page](#)

Money laundering training package adopted by Deloitte & Touche - 28 January 2002

Deloitte & Touche has chosen the anti-money laundering e-learning package devised by the partnership of TaC with software developer knowledge=power. The e-learning package will be undertaken by 7,000 Deloitte & Touche partners and staff over the next few months.

For more details about the product, see our [Partnerships page](#). For information about the Deloitte & Touche launch, please contact [Susan](#) or see the [press release](#).