

Anti-money laundering EU



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INDEPENDENT

INTERNATIONAL

IN-BUSINESS

ANT trust & corporate services
independent international in-business

European Union

- History
- Mission
- 27 Member states
- EU legislation
 - Directives
 - Recommendations



Organisation for Economic Co-operation and Development (1)

ORGANISATION
FOR ECONOMIC
CO-OPERATION
AND DEVELOPMENT



- History
- Mission:
 - Support sustainable economic growth and employment
 - Raise living standards in member countries
 - Assist other countries economic development
- 30 Members

Financial Action Task Force



- History
- Tasks:
 - Setting standards (40+9 recommendations)
 - Evaluating standards
 - Identifying and studying methods & trends
- 34 Members

Directives

- Based on 40 recommendations FATF
 - 91/308/EEC of 10 June 1991
 - 2001/97/EC of 4 December 2001
 - 2005/60/EC of 26 October 2005 (+ 9 special Recommendations FATF)
 - 2008/20/EC of 11 March 2008



Reasons for making EU directives

- Fear that financial system will be jeopardized
- Existing danger that money launders will take advantage of lack of EU measures
- Money laundering can influence the rise of organised crime



Money laundering (1)

- EU definition:
 - Disguise origin of property derived from criminal activity
 - Acquisition, possession or use of property derived from criminal activity
 - Elements: knowledge, intent or purpose

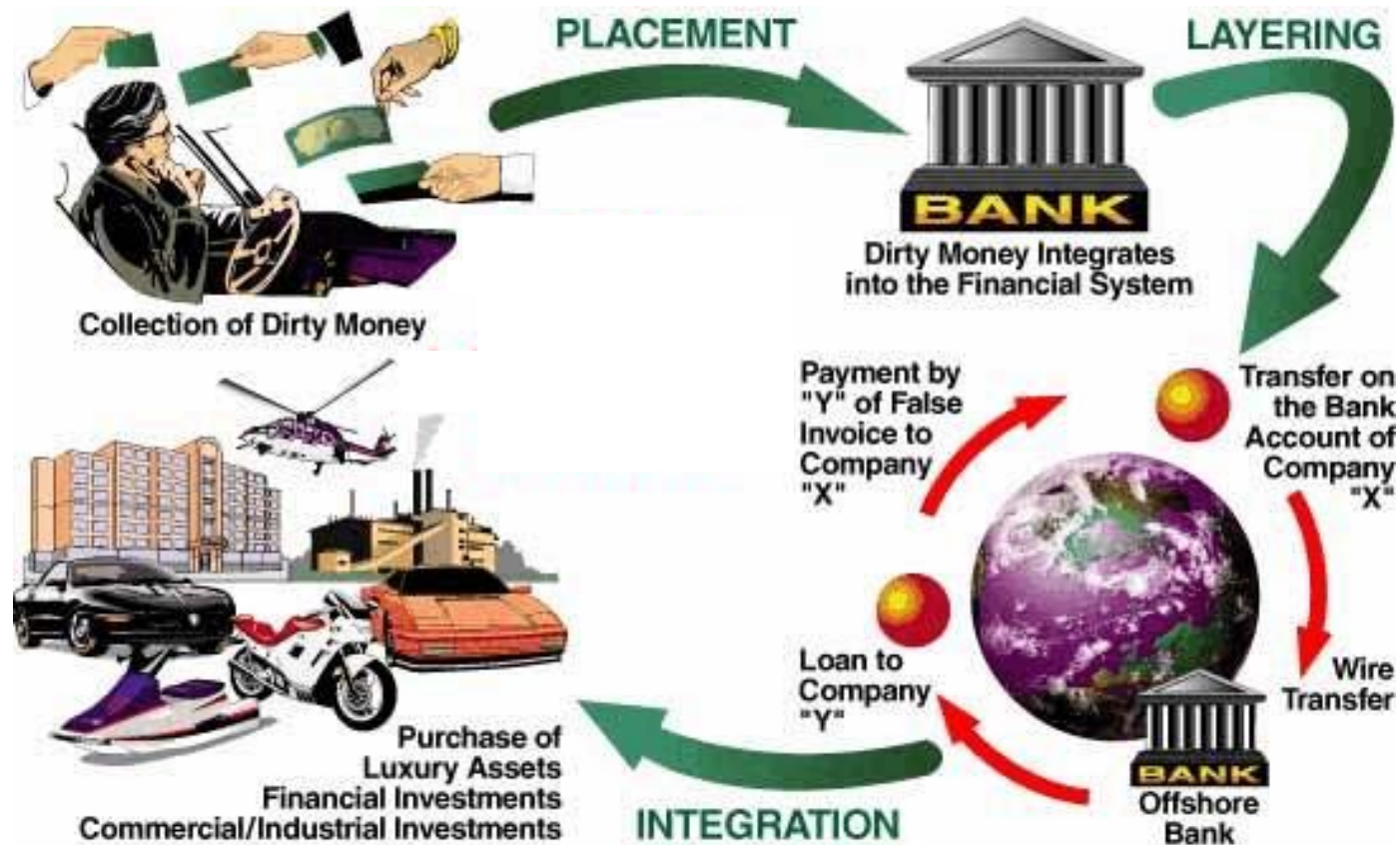


Money laundering (2)

- Criminal activity:
 - 91/308/EEC: drug related crimes
 - 2001/97/EC: any kind of involvement in a serious crime (i.e. fraud and corruption)
 - 2005/60/EC: more clear definition of serious crimes (max. > 1 year or min. > 6 months)



Money laundering scheme



From: people.exeter.ac.uk

Subjects (1)

- 91/308/EEC:
 - Credit and financial institutions
- 2001/97/EC (extended to):
 - Auditors, external accountants, tax advisors, real estate agents, notaries, lawyers, dealers in high value goods & casinos
 - Currency exchange offices & investment firms (financial institutions)



Subjects (2)

- 2005/60/EC (extended to):
 - Trust providers & company service providers



Identification requirements (1)

- Must be met when:
 - Establishing a business relationship
(91/308/EEC)
 - Occasional transactions of at least EUR 15,000
(91/308/EEC)
 - Suspicion of money laundering/
terrorist financing (2005/60/EC)
 - By doubts veracity/adequacy of identification
data



Identification requirements (2)

- Shall comprise:
 - Identifying the client/ultimate beneficial owner
 - Destination of funds
 - Source of wealth
- Politically exposed persons (``PEP``): ``high risk`` category (2005/60/EC)
- Keeping books & records for at least 5 years



Reporting money laundering

- 91/308/EEC:
 - full co-operation with authorities
 - prohibition disclosure information
- 2001/97/EC:
 - exemption for counselors (case C-305/05)
 - which body is authorised?
- 2005/60/EC: Financial Intelligence Unit



Consequences of EU anti-money laundering directives for fiscal advisors



"You've not been involved with money laundering before have you Joe!"

DEVELOPMENTS



THANK YOU