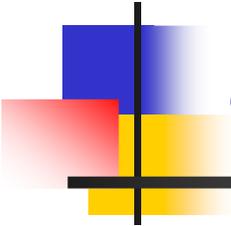


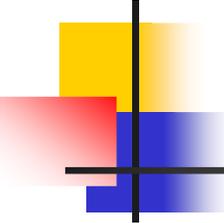
Detecting Money Laundering – the role of Financial Institutions and Designated Non- Financial Businesses and Professions



Nazhat Shameem

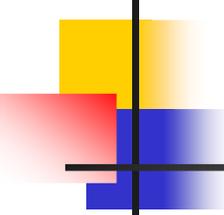
4th Anti Money Laundering Conference

2013



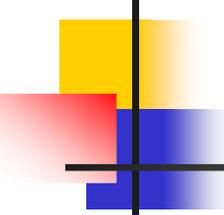
Designated financial institutions

- Solicitors' law firms
- Estate agents
- Foreign exchange dealers
- Casinos
- Trustee companies
- Schedule 1 of the FTR Act



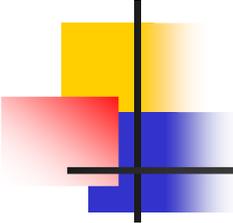
The nature of laundering

- Placement
- Layering
- Integration



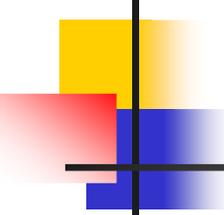
Placement

- The need to use a financial institution to put the money in
- Banks usually too vigilant, other financial institutions such as trustee companies may not be



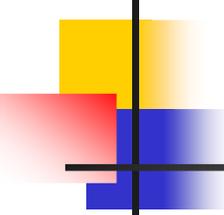
The law

- Banking Act
- Reserve Bank Act
- Financial Transactions Reporting Act
- Proceeds of Crime Act
- Proceeds of Crime Amendment Decree
- Mutual Assistance Act
- Extradition Act



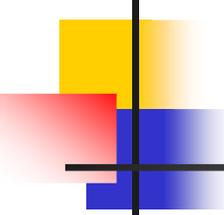
The cases in Fiji

- Turtle Island
- Monika Arora
- Salendra Sen Sinha
- Doreen Singh
- Syed Mohammed Raza



Professionals

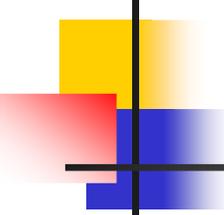
- Have not been prosecuted in Fiji for failing to report or for laundering
- In other countries they have been prosecuted



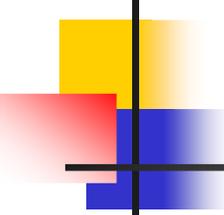
Examples

- **Fitzpatrick and Others v Police Commissioner of the Metropolis**
(UK)
- **Dare v Crown Prosecution Service**
(UK)
- **AFFAIRE MICHAUD c. FRANCE**
(ECHR)

Law Society of England and Wales Practice Notes on Money Laundering

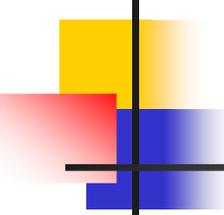


- **Secretive clients**
- **Unusual instructions**
- **Changing instructions**
- **Unusual retainers**
- **Use of client accounts for unusual purposes**
- **Suspect territory or countries which have no or loose anti money laundering laws**
- **When administering an estate: where estate assets have been earned in a foreign jurisdiction**



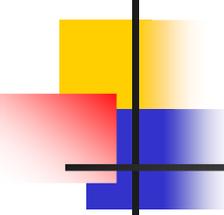
More warning signs

- **Trusts - Trusts can be used as a money laundering vehicle.**
- **Charities - In common with trusts, while the majority of charities are used for legitimate reasons, they can be used as money laundering/terrorist financing vehicles.**
- **Powers of attorney/deputyship - Whether acting as, or on behalf of, an attorney or deputy, you should remain alert to money laundering risks.**



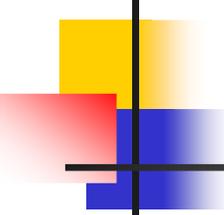
Also

- **Property work**
- **Ownership issues**
- **Properties owned by nominee companies or multiple owners may be used as money laundering vehicles to disguise the true owner and/or confuse the audit trail.**



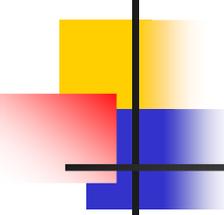
And

- **Lender issues**
- **You may discover or suspect that a client is attempting to mislead a lender client to improperly inflate a mortgage advance – for example, by misrepresenting the borrower's income or because the seller and buyer are conspiring to overstate the sale price. Transactions which are not at arms length may warrant particularly close consideration.**



What should Fiji's professionals do to protect themselves?

- Encourage institutions such as the Law Society, Legal Practitioners' Unit, Fiji Institute of Accountants, Fiji Institute of Internal Auditors to set out guidelines for practitioners to help them to understand the law and detect warning signs
- Attend conferences like this one and ask the FIU to help with training and guidelines
- Discipline and report practitioners who do not enforce the law on laundering and suspicious transactions
- Have a whistle blowing procedure



Close of Session

- Nazhat Shameem
- November 2013