

Anti-money laundering



Money laundering

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Money laundering is the method by which criminals disguise the illegal origins of their wealth and protect their asset bases, so as to avoid the suspicion of law enforcement agencies and prevent leaving a trail of incriminating evidence.

United Nations Office on Drugs and Crime

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The conversion or transfer of property, knowing that such property is derived from [an] offence, for the purpose of concealing or disguising the illicit origin of the property or of assisting any person who is involved in the commission of such an offence and to evade the legal consequences of his actions.

The legal definition of money laundering from the 1988 United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances.

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Why is it important for an organisation to protect itself from money laundering (ML)/terrorism financing (TF)?

Reputational and regulatory risks have become more important to manage in today's world especially with the uncertainty of experiencing recession globally. The recent news reports alleging the involvement of banks and other financial institutions in money laundering has made it even more critical for organisations to protect the reputation from negative news events. No bank wants to be on the front page of a newspaper with a headline reading 'ABC Bank charged with money laundering' or 'ABC backs terrorists'. This would be a public relations nightmare.

Punishment under PMLA

Section 4 of PMLA prescribes the punishment for money-laundering as under:

- Rigorous imprisonment for a term which shall not be less than three years, but which may extend up to 7-10 years and shall also be liable to fine.

The Prevention of Money Laundering Act, (PMLA) 2002

The act requires financial services organisations to introduce robust anti-money laundering (AML) programmes that establish or enhance policies and procedures in order to support law enforcement in intercepting and obstructing the illegal flow of funds. Penalties and regulatory sanctions aside, any association with money laundering can expose organisations and individuals to adverse publicity and reputational damage.

High risk of money laundering



Shortfall in AML/CFT framework



Poor financial standards and transparency



Weak political rights and rule of law



High level of perceived corruption

The Grant Thornton advantage



Compliance review



Identify gaps



AML remediation



Implement compliance programme



Value creation



Effective and efficient



Programme enhancement



AML due-diligence

Using our well-established methodology and combining it with the expertise of forensic team; we provide a comprehensive range of anti-money laundering services. Grant Thornton works with organisations to understand their risk profile and address the factors that they need to consider to help prevent money laundering and comply with domestic and international requirements.

Our services include



Implementing a compliance programme

We provide assurance of compliance or help you establish a programme to be compliant with anti-money laundering laws. We assess AML risks through systems integration – installation of new Enterprise Fraud Management (EFM) platforms and customise configurations for use with existing systems and technologies.



Improve efficiency and effectiveness

We help you improve the efficiency and the effectiveness of your AML systems through high-level assessments of system performance, including risk coverage and exposures, evaluation of scenario sets and rule performance, monitoring system gap analysis.



Compliance review and testing

Our AML review programme is scaled and personalised for your organisation, providing independent insight, and a comprehensive review of your policies, procedures and practices. Further we develop company SOPs in compliance with AML and FATF guidelines to ensure maximum compliance to the AML provisions including development and implementation of transaction monitoring systems on a regular basis.



Programme enhancements

We help you in enhancing your current AML programme, developing risk-scoring methodologies, providing enhanced due diligence reporting for high-risk customers and transactions, and recommending improvements to your transaction and customer monitoring programme.



AML due diligence

We offer a broad spectrum of risk-based screening, monitoring and due diligence solutions that suit the needs of AML compliance professionals. We provide tailored solutions commensurate with the level of risk involved, including establishing policies, procedures and controls that are designed to detect and report instances of money laundering; client on-boarding, and risk scoring; sanctions and negative news screening; monitoring; and open-source public records research and enhanced due diligence on higher risk accounts.



Investigations

Our team can respond to internally triggered proactive reviews, regulator look-back requests or governmental enforcement actions.



Assistance in the event of government intervention

We provide expert opinion and advice on anti-money laundering (including assistance and support in dealing with authorities in the event of government intervention).



Compliance with law

Our team can help develop the documentation required by law, testing procedures and practices for compliance with the law, identifying and managing the risk with respect to the application of the law or any violation thereof.



PEP screening

We identify politically exposed persons (PEPs), including their associates and family members of the organisation. GT deploys a suitable world-class screening platform and review alerts to eliminate false positives.



AML remediation services

We help clients resolve gaps and deficiencies in their AML compliance programmes efficiently. We offer diligence remediation services to assist our clients with changes in the law and/or internal firm policies. We also offer transactional remediation services, when clients may require a 'look back' in order to evaluate in-house performance and compliance.

To know more about our services, reach out to our experts

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