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# <u>Curbing the menace of Money laundering</u> <u>International Initiatives</u>

#### By: Dr.Sudarshan Nimma

#### **Money Laundering is Transnational**

With the emergence of information technology and Internet, the entire world has transformed into a global village.Certain drastic changes in recent times in the global markets (market globalization), such as rapid growth in international trade, expansion of world financial systems, facilitated the means and opportunities for conversion of illegally earned incomes in to legal incomes. Adding to this, recent emergence of e-commerce, made the global village in to a market without boundaries. Economic and financial borders of the countries are disintegrated very fast as a result of liberalisation in world trade in goods and services. This allowed free trade from one country to the other cutting across continents removing the barriers that existed hitherto. Further, the revolution in information and communication technology facilitated movement of money across the globe at a faster rate. Combined factors of all these, made the money laundering a transnational crime today.

Western countries too, encouraged the inflow of money from other countries into their banks and financial institutions, irrespective of the origin, nature and source of funds. Privileges and bank facilities of liberalized regimes on bank-secrecy, banking operations and tax havens fostered keen competition among the western countries to attract external funds into their banks and financial institutions.<sup>1</sup> Money laundering became a global phenomenon and though condemned internationally, came to be designated as an 'international crime'.

Money laundering threatens economic stability of the countries. Therefore, the IMF took up active role in this direction. IMF supports and promotes the AML/CFT efforts of member countries, based on the FATF standards. Money laundering across-borders, appears to be easy for offenders of different countries to execute their heinous business plans and hide their illegally earned incomes, particularly due to integration of global financial system and technology development erasing the barriers and impediments for free movement of capital. The ability of money launderers to deceive the official authorities and move quickly their criminally derived money between national jurisdictions complicated the task of authorities to track and confiscate the tainted assets.<sup>2</sup>

#### **Quantum of Money Laundering**

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<sup>&</sup>lt;sup>1</sup>Julian, A. Francis, International Banking and the Third World Debt: A Study on State Insolvencies, Dissertation submitted for SJD Degree, Tulane University School of Law, New Orleans, USA (1984). p.44.

<sup>&</sup>lt;sup>2</sup> Gururaj, B.N., Commentaries on FEMA, Money Laundering Act and COFEPOSA, Wadhwa, Nagpur, (2005) p.803.

Volume 2 Issue 6 | March

#### ISSN: 2582-6433

According to recent estimates of the "United Nations Office on Drugs and Crime (UNODC)", the total laundered money across the globe constituting is 2 to 5% of the world

GDP.<sup>3</sup>per annum, which amounts amounts \$800 million to 2 Trillion approximately<sup>4</sup> *'Friedrich Schneider'* taking a review in respect of 20 highly developed OECD countries for the years 1995 to 2006, stated that while the money laundered in 1995 was at US \$273 billion, it was increased to US\$603 billion in 2006, and the overall turnover of organized crime rose from US\$595(2001) to US\$790 billion(2006)<sup>5</sup>.Criminal activity of illicit money flow across borders will have catastrophic effect in the areas of financial institutions and economic strengths in States across the globe. The organised crime and its problems stem from unchecked migration and enhanced enforcement rigidity at borders.

#### **International Initiatives**

Unabated proliferation of criminality in narcotic drugs and illicit trafficking etc. patronized money laundering to dreadful scales in many countries which compelled the governments to realize the potential threat of drugs and money laundering menace, and forced the States to resort to close and concerted international operation to fight money laundering, and resultantly many agreements both at international and national level came into existence to avoid the evil effects of drugs menace and money laundering. International commitment to fight against these mafias is evidenced by passing laws and regulations<sup>6</sup> by too many States is rising day to day.

The comity of nations recognized the impending danger of money laundering and its threats to immortalize the dangerous acts of the nefarious criminal organizations throughout the globe, adversely affecting the safety and security both at global and local levels through corrupt officials and out dated legal systems, and eventually impeding the free flow of capital. It was observed that, the revenue of narco-trafficking units far exceed the financial and structural capacities of security services in some under-developed and developing countries, a cause of concern for international peace and prosperity. The unfortunate terrorist attack of September 11, 2001, prodded the U.S. and its allies to launch a global war on terrorism in 5 sectors i.e, Military, Intelligence diplomatic, Law enforcement and Financial areas.

<sup>&</sup>lt;sup>3</sup>Zenobia Sethna, Money Laundering:

A Historical Perspective, (June 2016) https://imarticus.org/money-laundering-a-historical-perspective/

<sup>&</sup>lt;sup>4</sup>In 1996, a spokesperson for the IMF estimated that 2–5% of the worldwide global economy involved laundered <u>money.</u>"Money Laundering: the Importance of International Countermeasures--Address by Michel Camdessus". *IMF*. Retrieved 2018-04-10;The Financial Action Task Force on Money Laundering (FATF), an intergovernmental body set up to combat money laundering stated that it is absolutely impossible to produce a reliable estimate of the amount of money laundered and therefore the FATF does not publish any figures in this regard; *Financial Action Task Force*. "Money Laundering FAQ". Retrieved 20 March 2017.

<sup>&</sup>lt;sup>5</sup>Friedrich Schneider, Money laundering and financial means of organised crime: Some preliminary empirical findings, Global Business and Economics Review 10(3):309-330 · February 2008@ https://www.researchgate.net/publication/227358325\_

<sup>&</sup>lt;sup>6</sup>According to UNDCP estimates, about 70% of the governments do not have effective legislation in place; Gururaj, B.N., Commentaries on FEMA, Money Laundering Act and COFEPOSA, Wadhwa, Nagpur, (2005) p.803.

#### Volume 2 Issue 6 | March

#### ISSN: 2582-6433

Two important initiatives in 1988 i.e. "The Basel Committee on Banking Regulations and Supervisory Practices and the United Nations Convention against Illicit Traffic in Narcotic *Drugs and Psychotropic Substances*", ushered in new era in arresting the deleterious activities of drugs and money laundering. India is a signatory to these two important treaties<sup>7</sup>direct technical help and coaching to over forty recipient countries.<sup>8</sup>

The 'specialised institutions' in the field of Anti-Money laundering (AML) and "FATF, FSRB's (FATF Styled Regional Bodies), International Association of Insurance Supervisors (IAIS), B.C.B.S, Financial Intelligence Units (FIUs) of Egmont cluster" are obligated to reply to the initiatives of opposing hiding, tread fleetly alongside the international bodies like, "World Trade Organisation, International Monetary Fund, World Bank, and certain Regional bodies like EEC, Commonwealth Secretariat, Asian Development Bank and Inter-American Development Bank (IDB)" etc., prescribed numerous A.M.L measures to combat money laundering globally.

The A.M.L. measures are in the forms of both 'Soft laws' and 'Hard laws'. AML Soft Laws are found in the form of *standards and codes*, prescribing certain uniform standards in the definition, regulation, prevention, supervision and detection of money laundering crime.

*AML Soft Law'* includes uniform standards in devising mechanism for *"combating money laundering and terrorist financing"* and provisions for increasing the level of global co-operation/co-ordination among various governments and their agencies.<sup>9</sup> *A.M.L. Hard Law'* measures are identified in the binding obligations created under the U.N. Conventions that are basically framework conventions.

At the global level, specialized AML institutions prescribe uniform standards and codes on AML which are implemented at the domestic level by nations in the form of national legislations.<sup>10</sup>The specialized agencies again supervise and monitor at the global level the implementation of AML measures by states. This multiple monitoring of AML prescriptions resulted in the emergence of a global criminal law regime<sup>11</sup> on money laundering.

One of the distinctive characteristics of this global legal regime is the global government networking<sup>12</sup> among intergovernmental and non-governmental agencies across the world.<sup>13</sup> These

<sup>&</sup>lt;sup>7</sup>www.un.org.treaty\_adherence\_convention\_1988.pdf; Since money laundering is an international phenomenon, transnational co-operation is of critical importance in the fight against this menace. A number of initiatives are taken to touch upon the matter at the international level. The major international agreements embrace the global organization Convention against Illicit Trafficking in medicinal drugs and psychedelic Substances, popularly called the Austria (Vienna) Convention,<sup>7</sup> and the Council of Europe Convention on Laundering, Search, Seizure and Confiscation of the Proceeds of Crime.

<sup>&</sup>lt;sup>8</sup> Ibid. note supra

<sup>&</sup>lt;sup>9</sup>A.Francis Julian, The Global Legal Regime on Anti-Money Laundering, published in 'Prevention of Money Laundering-Legal and Financial Issues' (Ed) K.N.Chandrasekharan Pillai & A. Francis Julian, The Indian Law Institute, New Delhi (2008) pp 1-9.

<sup>&</sup>lt;sup>10</sup>Cryer, Robert, "Prosecuting International Cro,e: Selectivity and the International Criminal Law Regime", Cambridge Studies on International and Comparative Law Series No. 41, Cambridge University Press, London (2005). P. 1.25

<sup>&</sup>lt;sup>11</sup>Cryer, Robert, "Prosecuting International Cro,e: Selectivity and the International Criminal Law Regime", Cambridge Studies on International and Comparative Law Series No. 41, Cambridge University Press, London (2005). P. 1.25

<sup>&</sup>lt;sup>12</sup>The term 'networks' normally refers to relatively loosely coordinated arrangements across borders between and among

#### ISSN: 2582-6433

Volume 2 Issue 6 | March

agencies operate in regulatory, supervisory, intelligence, and investigatory fields. The global criminal law regime consists of two sub-regimes, (1) dealing with preventive aspect (preventive sub regime) and (2) dealing with penal and enforcement aspect (criminal law sub regime). Both these sub-regimes involve applicability of international and municipal laws at different levels.

The international law consist of codes of conduct and supervisory standards on AML laid down by the Framework Conventions and informal international cooperation agreements among nations. The domestic legislations enacted by countries to implement their international obligations under the Conventions and other international legal instruments form the domestic legal content.

The "United Nations Office on Drugs and Crime" (UNODC) initiated "Global Programme against Money laundering (GPML)" covers activities on 3 areas, provide means to states/institutions for effective dealing with the money laundering problem

Technical cooperation<sup>14</sup>

2. The analysis  $^{15}$ 

The commitment<sup>16</sup>

The "Global Programme against Money-Laundering, Proceeds of Crime and Financing of Terrorism" is aimed at

Assisting in achieving the objective set by the General Assembly<sup>17</sup>

To equip the States, the requisite expertise for implementing domestic legislation<sup>18</sup>

To assist the beneficiary States, regions<sup>19</sup>

like agencies that seek to respond to global issues. The term 'government networks' means networks of regulatory agents and agencies that reach out to their homologues and other regulators across national borders and state jurisdictions.

<sup>13</sup>Slaughter, Anne-Marie, "A New World Order", Princeton University Press, Princeton, New Jersey, USA (2004); and Anderson-Kenneth, Squaring the Circle? Reconciling Sovereignty and Global Governance through Global Government Networks, 118 Harvard Law Review, 1255.

<sup>14</sup> is that the main task of the Programme. It encompasses activities of making awareness, institution building and training.

<sup>15</sup>aims at providing States key info to higher perceive the development of money laundering and to modify the international community to plot a lot of economical and effective countermeasure strategies.

<sup>16</sup>to support the establishment of financial investigation services for raising the overall effectiveness of law enforcement measures. MONEY LAUNDERING IN INDIA1 National Judicial Academy, www.nja.nic.in/4.1.%20Paper%20Money%20Laundering\_1\_%20Paridhi%20Saxena.pdf

<sup>17</sup>at its twentieth special session for all States to adopt legislation that gives effect to the universal legal instruments against money-laundering and countering the financing of terrorism

<sup>18</sup>and the provisions contained in the measures for countering money-laundering adopted by the General Assembly at its twentieth special session

<sup>19</sup>to extend the specialized experience and skills of criminal justice officers within the investigation and

**[**7]

Volume 2 ksue 6 | March

To improve co-operation both globally and regionally in eliminating the terror funding

by information sharing and mutual legal assistance.

v) To strengthen operational, legal, financial potentials of the beneficiary States<sup>20</sup>

The UNODC helps the Governments in facing criminals who launder the criminal proceeds using international financial system.<sup>21</sup> Strategies embrace granting technical help to the authorities from developing countries, organizing coaching workshops, providing coaching materials and transferring experience between jurisdictions.<sup>22</sup>

#### **Global Criminal Law Regime & Sub-Regimes**

S.No	Preventive Legal Regime	Crl. Law Enforcement Regime.
		Criminalization of Money Laundering.
1	Customer Due Diligence	
2	Reporting Internal Reporting, Confiscation.	Risk Management Suspicious Transaction reporting
3	Domestic Banking Supervision	National Level Co-operation.
4	International Banking International Co- operation, Supervision	Mutual Legal Assistance Extradition Asset Recovery <sup>23</sup>

#### International Conventions of the "The United Nations"

prosecution of complicated money crimes, particularly with regard to the financing of terrorism.

<sup>21</sup>It additionally provides Governments, law enforcement authorities and financial intelligence units with strategies to counter money-laundering, advises on improved banking and financial policies and assists national financial investigation services.

<sup>22</sup>https://www.unodc.org/unodc/en/money-laundering/programme objectives. htmlref=menuside

<sup>23</sup> (Source: A. (Francis Julian, The Global Legal Regime on Anti-Money Laundering, in Prevention of Money Laundering-Legal and Financial Issues, (Edited) by K.N.Chandrasekharan Pillai, A. Francis Julian, The Indian Law Institute, New Delhi 2008; p. 11)

<sup>&</sup>lt;sup>20</sup>to deal effectively with money-laundering and also the funding of terrorist act Through the worldwide Programme, UNODC encourages States to develop policies to counter money-laundering and the funding of terrorist act, monitors and analyses related problems and responses, raises public awareness about money-laundering and the financing of terrorism, and acts as a coordinator of initiatives carried out jointly by the United Nations and other international organizations.

# 1. The Vienna Convention (UN Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances (1988)

When the drug trafficking at international level grown into gigantic high cost expensive business and the size of the illegal drug trade is dominated by criminal coteries, the global community forced "*the U.N. Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances*" (19th Dec 1988) to implement strict legal measures by the Member States to curb 'money laundering' by creating obligations to dilute their banking secrecy laws and obliging them to criminalize the money laundering generated from drug trafficking and drug crimes.<sup>24</sup>The U.N. Convention is an outcome of the successful participation of a delegation consisting of 106 States and 87 signatories.

The pact needed the signatory nations to criminalize the laundering drug money and confiscation, upon discovery of it. All ratifying countries conform for start afresh a comprehensive legal code against money laundering, narco-traffic and to introduce measures to spot, detect, and freezing/seizing the proceeds of drug trafficking.

While the existing Core Principles and the assessing methods associated, served the purpose to help the countries to adopt their supervisory systems, the revised document (*September*, 2012 - Articles increased from 25 to 29) combines the "Core Principles and the assessment methodology" into a one complete document.<sup>25</sup>

The 'Vienna Convention' succeeded in making the member states to oblige to criminalize the laundering money from drug trafficking as a tool to combat money laundering. Fostered international co-operation among the member countries to submit to extradition rules in relation to money launderers. Another notable feature of this convention is that it established a firm principle that the local bank secrecy law must not interfere with the criminal investigations at international level<sup>26</sup>

<sup>&</sup>lt;sup>24</sup>The Convention came into force with effect from November 11, 1990. The 'Preamble of the Convention' warns the increasing I roads into various social groups made by illicit traffic in narcotic drugs and psychotropic substances and focuses on to deprive persons engaged in illicit traffic of the issue of their criminal activities and to eliminate the foundation reason behind the matter of the abuse of narcotic medication and mind-expanding substances; Dr. Shamsuddin, Commentary on the Prevention of Money Laundering Act, 2002, (2018) Commercial Law Publishers (India) Pvt. Ltd. Delhi.

<sup>&</sup>lt;sup>25</sup>The revised set of twenty-nine Core Principles has also been reorganized to foster their implementation through a more logical structure, highlighting the difference between what supervisors do and what they expect banks to do: Principles 1 to 13 address supervisory powers, responsibilities and functions, focusing on effective risk-based supervision, and the need for early intervention and timely supervisory actions. Principles 14 to 29 cover supervisory expectations of banks, emphasizing the importance of good corporate governance and risk management, as well as compliance with supervisory standards.; https://www.bis.org/publ/bcbs230.htm

<sup>&</sup>lt;sup>26</sup>United Nations Convention Against Illicit Traffic In Narcotic Drugs And Psychotropic Substances, 1988 available at http://www.unodc.org/pdf/convention\_1988\_en.pdf (last accessed on May 24, 2015)

#### 2."Council of Europe Convention<sup>27</sup>1990 (Strasbourg Convention)

# (Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime)"

As '*money laundering*' has become a global phenomenon, concerted action of all States is inevitable to curb the evil.<sup>28</sup> To achieve this purpose, this Convention mandates all Member States to criminalise the laundering the crime proceeds, confiscating instrumentalities and proceeds.<sup>29</sup>

The 'Preamble to the Strasbourg Convention' clearly establishes the aim of the Convention as  $^{30}$ 

*Art. 2'* enable the application of this Convention to financing of terrorism.<sup>31</sup>Chapter III of the convention contains measures for international co-operation and investigative assistance.<sup>32</sup>

<sup>28</sup>This Convention aims to facilitate international co-operation and mutual assistance in investigating crime and tracking down, seizing and confiscating the proceeds thereof; to assist States in attaining a similar degree of potency even within the absence of full legislative harmony.

<sup>29</sup>In pursuance of the object of International co-operation, the Convention provides for -i) various kinds of investigative assistance like, assistance in procuring evidence, transfer of information to another State without a request, adoption of common investigative techniques, lifting of bank secrecy etc; ii) provisional measures like freezing of bank accounts, seizure of property to prevent its removal; and iii) measures to confiscate the proceeds of crime: enforcement by the requested State of a confiscation order made abroad, institution by the requested State, of domestic proceedings leading to confiscation at the request of another State.

<sup>32</sup>Art. 2,8,9 and 10 of the Convention

<sup>&</sup>lt;sup>27</sup>or property the value of which corresponds to such proceeds; This convention in 1990 establishes a common policy on money laundering. It sets out a common definition of money laundering and common measures for dealing with it. The Convention lays down the principles for international cooperation among the member states, which may also include states outside the Council of Europe. One of the purposes of this convention is to facilitate international cooperation as regards investigative assistance, search, seizure and confiscation of the proceeds of all types of criminality, particularly serious crimes such as drug offences, arms dealing, terrorist offences etc. and other offences which generate large profits.

<sup>&</sup>lt;sup>30</sup> "The Member States of the Council of Europe and the other States signatory hereto, considering that the aim of the Council of Europe is to achieve a greater unity between its Members, convinced of the need to pursue a common criminal policy aimed at the protection of society, considering that the fight against serious crime, which has become an increasingly international problem, calls for the use of modern and effective methods on an international scale; basic cognitive process that one amongst these ways consists in depriving criminals of the yield from crime, considering that for the attainment of this aim a well-functioning system of international co-operation also must be established."

 $<sup>^{31}</sup>$ It needs the member state to adopt such legislative and different measures as could also be necessary to confiscate instrumentalities and yield or property the worth of that corresponds to such properties.(Art. 2 (1) of the Convention) Further, each party shall ensure that it is able to search, trace, identify, freeze, seize and confiscate property of a licit or illicit origin, used or allocated to be used by any suggests that, in whole or partially, for the finance of act of terrorism, or the yield of this offence, and to produce co-operation to the present finish to the widest attainable extent.(Art. 2 (2) of the Convention)

Volume 2 Issue 6 | March

The following conventions also contain specific provisions imposing obligations on member states to implement AML measures.

#### 3."International Convention for the Suppression of the

#### Financing of Terrorism/SFT Convention (1999)"

This convention came in to force from 2002, after World Trade Center (WTC) attack. According to this the ratified countries need to criminalise the acts of terrorism, terrorist attacks and the terrorist organisations. This is applicable to all the acts such as direct involvement fund collections, knowingly, that such funds or part of such funds collected are used to execute any of the offences stated in the convention<sup>33</sup>

The convention further require each country to take suitable steps, according to the legal principles of their own countries, for detecting and freezing, seizing/forfeiture of funds used/allocated commission of the crimes stated. As per the provisions of this convention, the alleged offenders are taken in to custody and prosecuted or extradited and the ratifying states are required to co-operate in preventive steps and countermeasures and have to exchange information and evidences in respect of the criminal proceedings. One of the major drawback of this convention is that, there is no monitoring agency to supervise the enforcing the convention. But the implementation is taken care of by the Security Council by applying certain measures such as sanctions to use of military actions etc., as supplemented by "UN Security Council resolution No 1373" adopted unanimously on 28th September 2001, placed in "Chapter VII of the UN charter"

4. "The UN Convention against Transnational Organized Crime

#### or Palermo Convention(2000)"

This convention is aimed at providing a legal basis for a uniform action against money laundering by co-ordinating all national laws of various nations. The convention is aimed at promoting co-operation at global level to prevent and to fight the transnational organised crime. The convention also covers aspects such as prevention, investigation, prosecution of the members of the organised criminal groups, laundering of proceeds of crime, corruption and coming in the way of justice, subject to the condition that these must be transnational in character. With regard to the criminalisation of laundering proceeds of crime, this convention adopted the same procedure as laid down in Vienna convention and the Strasberg conventions respectively. More than120 member nations are formed a committee to draft the treaty (November 2000) which was adopted by the Millenium General Assembly, signed and ratified by the nations at Palermo, Italy.

#### 5."U.N. Convention Against Corruption/UNCAC(2003)"34

This is the sole anti-corruption multi-lateral treaty, legally binding at the international level. It is adopted in 2003 and came into force in 2005. This convention

<sup>&</sup>lt;sup>33</sup>or an act intended to cause death or bodily injury to any person not actively involved in armed conflict in order to intimidate a population or compelling any government or any international organisation to do or abstain from doing any act.

<sup>&</sup>lt;sup>34</sup>www.unoodc.org; www.wikipedia.org

Volume 2 Issue 6 | March

recognises both the preventive and penal measures. The UNODC, United Nations Office on Drugs and Crimes in Vienna acts as secretariat to this UNCAC

It addresses the corruption of cross border nature, contain provisions for international cooperation. This convention provides a new framework for effective action and international cooperation. Provisions under this convention provide for greater cooperation among the states. It also provides for prevention and detection of corruption and for return of the proceeds of crime.

Goal of the UNCAC is to mitigate different forms of corruption, occurring across borders of the nation. These corruptions include, trading in influence, power abuse and private sector corruption(embezzlement) and money laundering. UNCAC's other goal is strengthening the international law enforcement and judicial cooperation between the nations by providing strong legal mechanism for international asset recovery.

#### 6. "U.N. Political Declaration and Action Plan(1998)"

This U.N. declaration is adopted by the "special session of the United Nations General Assembly (UNGASS) on 8,9 and 10<sup>th</sup> June 1998" for which India is also a signatory nation. It is a major initiative, which strongly condemns money laundering derived from illegal drug trade and other sources of crime and using financial systems for the purpose. The Declaration urges all countries to implement measures to curb money laundering as delineated under Narcotic Convention and other relevant international Conventions and instruments.

The Declaration also emphasized to create legislative frameworks for criminalizing money laundering, for the prevention, detection, seizure and confiscating all sorts of criminal proceeds through international cooperation and coordinated legal assistance.<sup>35</sup> This declaration is designed to implement effective financial and regulatory regimes so that the criminals are not given access to illicit funds to pollute the national and international monetary systems. This declaration warrants strict implementation of identifying customer, fiscal record keeping, to reporting suspicious transactions mandatorily and removing hurdles such as bank secrecy etc.

#### 7. "The U.N. Security Council Resolution 1373; 28-09-2001"

The U.N. Security Council in its Resolution 1373, adopted on 28-09-2001, after attack of World Trade Centre, highlighted the need to adopt anti-terrorist measures by countries. Expressing concern at close connectivity between international terrorism and money laundering, the U.N. Security Council emphasized coordination at national, regional and international levels for strengthening global response to terrorism, and urged the countries to comply with international standards of FATF 49 recommendations.

#### 8."The United Nations Office on Drugs and Crime (UNODC)"<sup>36</sup>

<sup>&</sup>lt;sup>35</sup>Kathryn L. Gardner, Fighting Terrorism the FATF Way, Lynne Rienner Publishers, Vol. 13, No. 3 (July–Sept. 2007), pp. 325-345.

<sup>&</sup>lt;sup>36</sup>The United Nations Office on Drugs and Crime (UNODC) established in 1997 with headquarters in Vienna, operating 20 field offices, as well as liaison offices in New York and Brussels, is a global leader in the fight against illicit drugs and international crime, prevention of terrorism and money laundering.

#### Volume 2 Issue 6 | March

The UNODC established the "U.N. Global Program against Money Laundering (GPML-1997)" help member countries for complying with the provisions of instruments related to "money laundering and terrorist financing." The UNODC also framed a model AML Law,

"Money Laundering, Proceeds of Crime and Terrorist Financing Bill, 2003" for civil law countries. It also developed "Model Legislation on Money Laundering and Financing of Terrorism" for common law countries.

UNODC conjointly works to prevent crime and assist in criminal justice reforms for strengthening the rule of law, promoting criminal justice systems which are stable/viable and combatingthe growing threats such as, multi state organized crime, corruption etc,<sup>37</sup>

It helps the Governments in preventing Organized crime, Drug abuse corruption, trafficking, reforming the criminal justice, control of Terrorism.etc,<sup>38</sup>It also render its advice on banking and financing policies to the Government, law enforcement authorities and *"Financial Intelligence Units"*.<sup>39</sup>

Major object of the United Nations Global Programme is for

strengthening the power of Member States enabling them to implement measures against money-laundering<sup>40</sup> The UNODC's legal advisory section in collaboration with the IMF, framed the following Model Laws both for common and civil law countries, to assist Member States<sup>41</sup>

a) The 2005 UNODC and International Monetary Fund Model Legislation on hiding and finance of act of terrorism that was finalised by a casual cluster of international

<sup>&</sup>lt;sup>37</sup>https://www.unov.org/unov/en/unodc.html' The international community confronts a host of menaces, including illicit drugs, threats to security and health and new and emerging crimes.UNODC has free a replacement. Menu of Services revealed in Gregorian calendar month 2010, which provides a detailed overview of how clients can access targeted assistance or the range of publications and online tools available.

<sup>&</sup>lt;sup>38</sup>The enforcement, Organized Crime and Anti-Money-Laundering Unit of UNODC is responsible for carrying out the Global Programme against Money-Laundering, Proceeds of Crime and the Financing of Terrorism, in response to the mandate given to UNODC through the global organization Convention against Illicit Traffic in Narcotic medication and psychoactive Substances of 1988.https://www.unodc.org/unodc/en/aboutunodc/index.html?ref=menutop

<sup>&</sup>lt;sup>39</sup>https://www.unodc.org/unodc/en/money-laundering/technical-assistance.html

<sup>&</sup>lt;sup>40</sup>therefore the finance of act of terrorism and to help them in detection, seizing and confiscating illicit proceeds, as required pursuant to global organization instruments and different globally accepted standards, by providing relevant and appropriate technical assistance upon request.https://www.unodc.org/unodc/en/money-laundering/index.html?ref=menuside

<sup>&</sup>lt;sup>41</sup>in setting up their AML-CFT legislation fully compliance with the international legal instruments, particularly the 40+9 FATF Recommendations, the 1988 UN Convention against illicit Traffic in Narcotic Drugs and Psychotropic Substances and theU.N. Convention against Transnational Organized Crime, 2000. See Appendix – VII of Ch.16 of the Book

Volume 2 ksue 6 | March Civil Law specialists.<sup>42</sup>

"The 2009 Model provisions for Common Law legal systems" on hiding, terrorist finance, steps for prevention and therefore the issue of Crime,<sup>43</sup> was finalised by the UNODC.<sup>44</sup>

#### 9. "Interpol"

It is an intergovernmental organization, facilitating co-operation between police forces of more than 180 nations with regard to crimes across borders. It promotes mutual assistance to the possible extent in prevention and suppression of international crime. Interpol focuses on 3 significant areas of international criminal activity<sup>45</sup> Most significantly, these liaisons and cooperation are intend to supportefforts of every international organization's efforts in the above areas and for the purpose of avoiding duplication in AML efforts.<sup>46</sup>

#### **International Financial Institutions**

International Financial Institutions such as, '*IMF* and *the World Bank*' have jointly initiated several measures to combat money laundering among the member countries as part of their programmes and funding activities,<sup>47</sup> developed various programs such "*Financial Sector Assessment Programs (FSAPs)*<sup>48</sup>, Off Shore Financial Centre Assessments (OFCs);<sup>49</sup> and Report on Observance of Standards and Codes (ROSCs)" to evaluate AML compliances of countries.<sup>50</sup>

To evaluate the compliance of countries, I.M.F. used certain tools such as Surveillance, Conditionality and Technical Assistance. Surveillance is an essential role of the IMF<sup>51</sup>.

<sup>46</sup>http://www.interpol.int/Public/FinancialCrime/MoneyLaundering/Unit.asp

<sup>47</sup>FATF: "Methodology for Assessing Compliance with the FATF 40 Recommendations and the FATF 9 Special Recommendations", FATF/OECD (2004); and also The World Bank, Global Monitoring Report 2006 – p.179.

<sup>48</sup>http://w.if.org/external/np/fsap/fsap.asp

<sup>49</sup>OFC program initiated in June 2000 considering the potential vulnerabilities stemming from the weaknesses in the financial systems of offshore centre.

<sup>50</sup>http://w.if.org/external/np/fsap/fsap.asp

<sup>&</sup>lt;sup>42</sup>https://www.unodc.org/ddocuments/money-laundering/2005/

<sup>&</sup>lt;sup>43</sup>https://www.unodc.org/documents/moneylaundering/Model\_Provisions\_2009\_Final.pdf

<sup>&</sup>lt;sup>4</sup> in joint collaboration with the Commonwealth Secretariat, IMF and by a panel of experts from common law countries.

<sup>&</sup>lt;sup>45</sup>https://www.britannica.com/topic/Interpol; terrorism and crimes against people and property, including crimes against children, trafficking in human beings, illegal immigration, automobile theft, and art theft; economic, financial, and computer crimes, including banking fraud, money laundering, corruption, and counterfeiting; and illegal drugs and criminal organizations, including organized crime. Interpol has been playing an active role in investigating money laundering at the global level working closely with other international organizations to foster international awareness on the importance utilising financial investigative techniques against organized criminal activities including money laundering.

<sup>&</sup>lt;sup>51</sup> in joint collaboration with the Commonwealth Secretariat, IMF and by a panel of experts from common law countries.http://www.imf.org/external/np/exr/glossary/showTerm.asp#76

#### 1. International Monetary Fund (IMF)

The role of monetary establishments in preventing and police investigation into cases of money laundering has additionally been the topic of pronouncements by the "Committee on Banking Regulation Supervisory Practices, the European Union and the International Organization of Securities Commissions". It was the major initiative in December 1988 towards prevention of money laundering.

#### 2. "World Trade Organization"

When Money laundering has shown a dark side of globalization, the "World Trade Organization" has taken concrete steps towards the containment of "drug trafficking and money laundering" aligning with the general international law in fight against transnational crime<sup>52</sup>

#### **Expert Bodies**

#### 1. "Financial Action Task Force (FATF)-1989"

FATF is aimed to promote effectively implementing the anti money laundering measures in respect of legal, regulatory and operational areas and other threats to integrity of international economic system.<sup>53</sup>The FATF has been constantly developing the recommendations/guidelines of international standards top check the money laundering, which form the bases for co-ordinated/collective response to the threats caused to the financial system. The FATF issued (1990) set of 40 recommendations, which are considered comprehensive plan of action to deal with the problem of 'money laundering'. 8 special recommendations were also issued(2001) by the FATF to check financing of terrorists<sup>54</sup> The 40 recommendations were revised (20003). The significant changes were made include, certain key institutional measures.

These revised Recommendations combined with "8 Special Recommendations" issued after 9/11 attack in 2001, and "9th Special Recommendation on Terrorist Financing" issued in October, 2004, constitute a comprehensive code to combat the problem of money laundering and terrorist financing. The recommendations are of paramount importance as "Forty

<sup>54</sup>Ibid. supra note.

<sup>&</sup>lt;sup>52</sup>and also the panel report on the money laundering case against Colombia-Indicative Prices `and Restrictions on Ports of Entry.

<sup>&</sup>lt;sup>53</sup>Kathryn L. Gardner, Fighting Terrorism the FATF Way, Lynne Rienner Publishers, Vol. 13, No. 3 (July–Sept. 2007), pp. 325-345.To become a member, a country must be considered strategically important (large population, large GDP, developed banking and insurance sector, etc.), must adhere to globally accepted financial standards, and be a participant in other important international organizations. Once a member, a country or organization must endorse and support the most recent FATF recommendations, commit to being evaluated by (and evaluating) FATF development other members, and work with the in the of future recommendations.https://www.investopedia.com/terms/f/financial-action-task-force-fatf.asp

Volume 2 Issue 6 | March

*Recommendations*<sup>55</sup> offer a total set of counter-measures to check money laundering, formulated and adopted by the FATF in 1990 and revised in 1996 and 2003 respectively.

he revision of the FATF Recommendation was adopted and published in February, 2012.<sup>56</sup> Thus these "49 (40+9) recommendations" constitute the backbone in "combating 'money laundering and terrorist financing" across the world. FATF requires member countries to enact appropriate national legislations, regulations, or other enforceable measures to implement its recommendations and to ensure that, financial institutions and other entities, covered by its recommendations to comply with the obligations imposed on them under its recommendations.

To take steps urgently to become parties to the U.N. Conventions dealing with "*money laundering* and terrorist financing" and take steps to fully implement the measures prescribed under them.<sup>57</sup>

Ratifying and implementing certain international Conventions relevant, such as "Council of Europe Convention on Laundering, Search, Seizure and Confiscation of the Proceeds of Crime, 1990 and the Inter-American Convention against Terrorism, 2002".

The recommendations obligate the member states to criminalize 'money laundering' and enable confiscation of the proceeds and also to establish Financial Intelligence Units to enhance the effectiveness of the system. But the member states are permitted to design the risk-based approach (RBA), after assessing the local situations and the impact of 'money laundering and terrorist financing' so that the RBA measures are consistent with the risks identified. The implementation of the RBA impacts on the efficient allocation of the resources which tells upon the efficiency of the AML/CFT regime. The states are exhorted to take best action to lesssen their AML-CFT risks through financial and "Designated Non-financial Businesses and Professions" (DNFBPs)

As per "*Recommendation No. 6, the U.N. Security Council*" by its resolution impose financial sanctions and direct and immediate freezing the funds or assets generated out of illicit funds so that any person – natural or legal, or any entity designated by the U.N. is deprived of the access to such funds or assets, under "*Ch. VII of Charter of United Nations*" and '*Security Council Resolution 1267 of 1999*' and its subsequent resolutions, and by virtue of '*Security Council Resolution No. 1373*'of 2001.and person/entity designated by the country may also be subjected to the above financial sanctions.<sup>58</sup>

Recommendations of FATF are enforced through methods like *Mutual Evaluation Process* which basically starts with selecting a group of people for assessing effectiveness of the system in the country to combat money-laundering. The team make reports on the analysis provided by the regulatory framework of the country being assessed.

<sup>&</sup>lt;sup>55</sup>Appendix – V of Chapter 16 of the Book

<sup>&</sup>lt;sup>56</sup>Refer:http://www.fatfgafi.org/publications/fatfrecommendations/documents/the40recommndationspublishedoctober20 04.html

<sup>&</sup>lt;sup>57</sup>FATF Annual Report 2004-05, p.7

<sup>&</sup>lt;sup>58</sup>http://ww.fatfgafi.org/media/fatf/documents/recommendations/pdfs/FATF\_Recommendations.pdf: p.13)

Volume 2 Issue 6 | March

Regular assessments are also made to ensure that countries implement FATF Recommendations through IMF's "*Financial Sector Assessment Programs*" (FSAPs) and the Report on "*Observance and Codes*" (*ROSC*) on countries. In addition, FATF itself conducts multilateral evaluations. FATF also imposes threat to be ostracized from international financial system by publishing a list, known as "*Non-Cooperative Countries and Territories*" (NCCTs)<sup>59</sup>

As on 2018, the FATF with 37 member countries is an independent international body including the E.U. Commission and the Gulf Cooperation Council, with its secretarial headquarters at OECD.<sup>60</sup> Many international organizations also involved in AML activities are permitted to be observers in the meetings including Organizations like Interpol, the IMF, and OECD and World Bank.<sup>61</sup>

#### 2. 'FATF-Styled Regional Bodies (FSRBs)'

FATF membership is not open to all nations. But FATF has promoted the formation of FSRBs in various regions across the world. FSRBs function as nodal agencies to carry out the functions of FATF in their respective regions. FSRBs along with FATF make assessments of compliance of FATF recommendations in the respective areas. Presently, there are 9 FSRBs covering 170 countries in the world. Only such countries which are committed to adopt and implement the 40+9 recommendations and subject to the evaluation and regulation of FATF with regard to the AML measures would be permitted to become the members of FSRBs.

There are 9 FSRBs established

"The Caribbean Financial Action Task Force (CFATF) 1996 (Port Spain, Trinidad

&Tobago)

The Asian/Pacific Group on Money Laundering (APG) 1998 (Sydney, Australia)

Latin America Anti Money Laundering Group(GAFILAT), Buenos Aires, Argentina

The Council of Europe (MONEYVAL) 1997, Strasbourg, France

Euro-Asian Group on combating M.L. CFT (EAG) 2004 (Russia, Central Asia, China)

Middle East and North African M.L (MENAFATF) 2004 (14 countries)

Eastern and Southern Africa AML Group (ESAAMLG) 1999, Dar-es- Salam, Tanzania

Central Africa Anti-Money Laundering Group (GABAC) Libreville, Gabon & West Africa

West Africa Money Laundering Group (GIABA), Dakar, Senegal"

<sup>&</sup>lt;sup>59</sup>with the objective to reduce the vulnerability of the financial system to money laundering by ensuring that all financial centres adopt and implement measures for the prevention, detection and punishment of money-laundering according to internationally recognized standards.

<sup>&</sup>lt;sup>60</sup>http://www.oecd.org/daf/anti-bribery/newantimoneylaunderingstandardsreleased.htm

<sup>&</sup>lt;sup>61</sup>https://www.investopedia.com/terms/f/financial-action-task-force-fatf.asp

Volume 2 Issue 6 | March

The APG, FATF and other 9 regional bodies comprise of the international net work to fight Money Laundering and Financing Terrorism and spreading of *"Weapons of Mass Destruction"*<sup>62</sup>

#### 3. "Banking and Financial Sector Supervisory Bodies"

#### 1. "The Basel Committee on Banking Supervision (BCBS)"

It is the primary global body aimed at setting norms for regulating the banks effectively. It is a forum providing for co-operation top level matters in banking sector  $^{63}$ 

The Committee monitors and review the implementing process and standards by its member nations and internationally operating banks through "*Regulatory Consistency Assessment Programme*" (*RCAP*). Money laundering in banking institutions is concerned, BCBS are primarily responsible for laying down codes of conduct and issues various circulars stipulating standards to be adopted by the banks and banks supervisory authorities from time to time across the world.

The BCBS published an "international code of conduct" for banks in 1988 to prevent abuse of banking system for money laundering purposes and followed by a circular entitled "State of Principles on the Prevention of Criminal Use of Banking System for the purpose of Money Laundering." Subsequent to the 9/11 attack on WTC, BCBS issued another circular containing guidelines on "Customer Due Diligence for Banks" on "Sharing of Financial Records between Jurisdictions in connection with the Fight Against Terrorist Financing".

Supplementing the same, in February 2003, the BCBS issued another circular titled "General Guide to Account Opening and Customer Identification" prescribing the procedure and conditions to be complied with by the banks with regard to the information required to be obtained from various types of persons before opening or during the operation of accounts. Again in 2004, the BCBS issued a paper titled "Consolidated KYC Risk Management" which has prescribed global KYC standards.

#### 2. "Basel's Statement of Principles, 1997"

The first international instrument exclusively dealing with the money laundering was issued in 12th December, 1988 by the "*Basel Committee on Banking Regulations and Supervisory Practices*".<sup>64</sup> The Basel Committee approved the core principles in 1997 for banking supervision

<sup>64</sup>Refer to: Statement on the Prevention of criminal use of the Banking System for the Purpose of Money Laundering;

<sup>&</sup>lt;sup>62</sup>The FATF's 40 recommendations are the principal standards to combat these crimes.http://www.apgml.org/fatf-and-fsrb/page.aspx?p=94065425-e6aa-479f-8701-5ca5d07ccfe8

<sup>&</sup>lt;sup>63</sup>https://www.bis.org/bcbs/ Further, metropolis III is Associate in Nursing internationally united set of measures developed by the metropolis Committee on Banking direction in response to the monetary crisis of 2007-09. The measures aim to strengthen the regulation, supervision and risk management of banks. Like all metropolis Committee standards, Basel III standards are minimum requirements which apply to internationally active banks. Members are committed to implementing and applying standards in their jurisdictions within the time frame established by the Committee.<sup>63</sup> The Basel Committee's approach to policy development relies on the coordinated work of its varied operating teams and task forces, a wide and open consultation process, and cooperation with international institutions. The Committee additionally strives to review the implementation of its standards so as to contribute to A level taking part in field among internationally active banks.Policy Development is fostered by The Committee's work largely organised around groups, working groups and task forces. Any member organisation will join these teams to participate within the policy development method.

Volume 2 Issue 6 | March

effectively, warranting the national agencies to follow the principles in the supervision of all the banks within their jurisdiction.

The "Basel Committee on Banking Regulations and Supervisory Practices" issued

a "Statement of principles"<sup>65</sup> Basel Committee provides for sufficient number of policies, procedures and practices which help in identifying customers and to avoid suspicious transactions in the banks to develop high standard professional and ethical standards in the area of finance.<sup>66</sup>The 'Statement of Principles' consists of ethical norms to encourage the banks' to implement effective procedures. The Statement is not a legal instrument and implementing it can rely on national applications and law.<sup>67</sup>

#### 4. "Offshore Group of Banking Supervisors(OGBS)"

The "Offshore Group of Banking Supervisors" was set up(1980) by drafting the cooperation of bank supervisors, to conduct supervision of banking. "Off-shore Financial Centres (OFC)"<sup>68</sup> and OGBS assists in mutual evaluation of member countries on Anti-Money Laundering measures.

#### 5. "Wolfsburg Group of Banks"

It is a collective Group of banks formed to develop common AML measures among member banks at the global level. The '*Wofsberg Statement*' comprise a set of principles guiding on *Risk Based Approach for managing money laundering risks*, to be used by institutions to identify and to control the situations.

#### 4."International Association of Insurance Supervisors (IAIS) and

and also http://www.bis.org/publ/bcbss137.pdf.

<sup>65</sup>which aims at encouraging the banking sector to adopt common position in order to ensure that banks don't hide or launder funds non-inheritable through criminal activities. The Basle Statement of 'Principles on the Prevention of Criminal Use of the Banking system for the purpose of Money Laundering' is a significant breakthrough to control and check money laundering on global level, and the same is not confined to drug-related money but encompass all aspects of money laundering through banking system i.e.the deposit, transfer and/or concealment of money derived from illicit activities whether robbery, terrorism, fraud or drugs.

<sup>66</sup>The revised Core Principles offer a comprehensive customary for establishing a sound foundation for the regulation, supervision, governance and risk management of the banking sector. The Preamble to the Basle Convention against money laundering clearly stipulates that Banks and other financial institutions may be unwittingly used as intermediaries for the transfer or deposit of funds derived from criminal activity, and the Criminals and their associates use the national economy to create payments and transfers of funds from one account to another; to cover the supply and useful possession of money; and to provide storage for bank-notes through a safe-deposit facility. These activities are commonly referred to as money-laundering. Para.1 of the Preamble to the Prevention of Criminal Use of the Banking System For The Purpose of Money Laundering (1988).

<sup>67</sup>It seeks to deny the banking system to those involved in money laundering by the application of the four basic principles namely, identifying the customer, compliance with the laws, cooperation with Law Enforcement Agencies and adherence to the Statement.;Para.6. of the Preamble to 1988 Convention.

<sup>68</sup>The OGBS would also participate with relevant international organizations concerned in setting up and promoting international standards for cross border supervision and for combating money laundering and terrorist financing. OGBS also encourages its members to apply high standards of supervision based on internationally accepted principles.

#### International Organization of Securities Commissions (IOSCO)"

IAIS and IOSCO also have issued separate guidelines for institutions which members. In October, 2004 IAIS issued a circular titled "Guidance Paper on Anti Money Laundering and Combating the Financing of Terrorism" for the insurance sector. Similarly, after one year in October 2005, IOSCO issued a Report of its technical Committee titled, "Anti Money Laundering Guidance for Collective Investment Schemes" prescribing guidelines for AML measures on collective investment schemes which will be applicable to the security investment sector.

#### 5. Joint Forum (BCBS, IAIS, IOSCO)

'BCBS, IAIS, IOSCO' have formed a Joint Forum in 2003 to work together in laying down common standards on AML in financial sector at the global level. In the year 2005, they have further revised their common standards in line with the revised FATF recommendations. These agencies also work closely with other institutions such as, FATF, IMF and the World Bank in improving common initiatives to combat money laundering at the global level in their respective areas.

#### 6. 'Financial Intelligence Units(FIU)<sup>69</sup> of Egmont Group'

The establishment of Financial Intelligence Units by the Egmont Group has been the result of the U.S. initiative for the effective coordination of investigation into money laundering offences among various countries. The Egmont cluster began in 1995 as a set of a tiny low variety of national agencies, were known as "*financial speech act units*" and are now called as '*Financial intelligence units (FIUs)*' seeks to explore the methods of co-operation among themselves<sup>70</sup> to fulfil the Egmont membership. standards.<sup>71</sup>

The goal of the Egmont cluster is to produce a forum for FIUs around the world to boost, support to various governments within the fightagainst concealment,terrorist funding and alternative monetary <sup>72</sup> F.I.U. is a national level central agency within a country, which receives, analyzes and disseminates financial

<sup>70</sup>https://www.fincen.gov/resources/international/egmont-group-financial-intelligence-units

<sup>&</sup>lt;sup>69</sup>The Egmont cluster provides support to member FIUs by: increasing and systematizing international increasing cooperation within the reciprocal exchange of data, the effectiveness of **FIUs** by providing coaching and promoting personnel exchanges to boost the experience and capabilities of personnel utilized by FIUs, fostering higher and secure communication among FIUs through the appliance of technology, like the Egmont Secure internet (ESW), fostering magnified coordination and support among the operational divisions of member FIUs, promoting the operational autonomy of FIUs, and promoting the institution of FIUs in conjunction with jurisdictions with an AML/CFT program in situ, or in areas with a program within the early stages of development. https://www.revolvy.com/topic/Egmont%20Group%20of%20Financial%20Intelligence%20Units;

<sup>&</sup>lt;sup>71</sup>Since its beginning, The Egmont cluster has fully grown dramatically from fourteen units in 1995 to a recognized membership of 159 FIUs The FIUs of Cambodia, Cuba, Nepal, and Niger were admitted to the Egmont cluster in 2015. The FIU of Syrian Arab Republic was reinstated.<sup>71</sup> The goal of the Egmont cluster is to produce a forum for FIUs round the world to boost cooperation within the fight against concealment and funding of coercion and to foster the implementation of domestic programs during this field.

<sup>&</sup>lt;sup>72</sup>https://www.fincen.gov/resources/international/egmont-group-financial-intelligence-units

Volume 2 Issue 6 | March

information to the competent authorities on suspicious crime proceeds, or which were disclosed under the respective national legislations or regulations for combating money laundering. F.I.Us also function on the basis of reciprocal or mutual agreements dealing with the analysis of information or investigation of financial transaction relating to money laundering, and they constitute important avenues for information exchange among law enforcing agencies around the world.

Generally, FIU of one country when requests information from its counterpart (of another country) has to furnish *reason*, and the *purpose*, which the information sought serves, and other particulars to enable the recipient FIU to process such request made. The Egmont Group has issued guidelines continuously, regularly on its activities, information sharing and exchange.

In 2001, it issued *"Best Practices for Exchange of Information between Financial Intelligence Units"* dealing with the best practices on information exchange among various FIUs.

In 2004, it issued two papers, one on the "Statement of Purpose." and another on the "Principles For Exchange of Information between Financial Intelligence Units" Subsequently, it has issued an "Interpretative Note concerning the Egmont definition of a Financial Intelligence Unit."<sup>73</sup>

#### 5. Expert Banks

**1. 'Asian Development Bank (ADB)'** gives *'technical help'* to various nations to strengthen their AML regimes. It has drafted Model AML legislation for the benefit of its member countries.<sup>74</sup>

2. 'Inter American Development Bank (IADB)' assists member countries by providing finance for implementation of specific AML programs. It also provides finances for regional programs through technical co-operation, grant funds. It assists national AML programs through national lending and technical assistance programs. The Bank also acts in close co-operation with FATF and other regional bodies to promote AML, programs among its member countries.<sup>75</sup>

#### An Assessment

A close perusal of international efforts against 'money laundering and financing of terrorism' reveal that, the "Basel's Committee on Banking Supervision" has been functioning effectively and vindicated its commitment to combat money laundering and financing of terrorism.

In pursuance of its mandate for strengthening regulation, supervision and practices of banks', it finalized its revisions on "Correspondent Banking."<sup>76</sup>

See generally http://www.iadb.org/idbamerica/index.cfm?thisid=3593

<sup>&</sup>lt;sup>73</sup>The member countries are obligated to prove FIUs with power to have access directly or indirectly, on a timely basis to the financial, administrative, and law enforcement information that they require to properly undertake their functions.

<sup>&</sup>lt;sup>74</sup>The Asian Development Bank (ADB) has established a trust fund to strengthen assistance to its developing member countries in fighting against money laundering and financing terrorism.

<sup>&</sup>lt;sup>75</sup> Ibid supra note.

<sup>&</sup>lt;sup>76</sup>Basel Committee on Banking Supervision: Consultative Document Guidelines Revised "Annex on correspondent" November 2016. Final version of June 2017 @ http://www.bis.org/bcbs/publ/d405.htm

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