

Effective use of Banking information

Outline

- 1. STR / SAR**
- 2. Legal background – Content of report**
- 3. Reporting entities**
- 4. Intelligence / Evidence**
- 5. Data protection / protection of reporting entity**
- 6. Interagency co-operation**

STR / SAR

Suspicious transaction report / suspicious activity report

Definition:

whenever there is a suspected case of money laundering or terrorist financing, the reporting entity has to file a report to FIU for further investigation / assessment of the information

Content of the report:

- Description of the facts, action or announced activity
- Information about the acting entity (person/responsible person or equivalent entity – corporate structure, organisation etc.
- Information about reporting entity
- Further advise requested if needed -- eG permission for accepting and processing the money-transfer, etc.

Legal background

Anti Moneylaundering regulation:

- **National regulation against money laundering and terrorist financing**
- **FATF (Financial Action Task Force) - initiative of the G7 to develop policies to combat money laundering, 2001 expanded to include terrorism financing**
- **FIUs Financial Intelligence Units - national Units – connected by**
- **Egmont Group - a global organization facilitates and prompts the exchange of information, knowledge, and cooperation amongst member FIUs**

Reporting Entities

- **Financial Institutions**
- **Notaries**
- **Insurances**
- **Lawyers**
- **Tax Administrations (some countries) – is your tax administration a reporting entity? Why not?**
- **Good traders above certain threshold of transaction**
- **Etc.....**

Intelligence / Evidence

- **Generally all the information is for intelligence only**
- **Some information could be used as evidence (eG open source)**
- **Prior request for permission to FIUs for evidencial purposes**
- **Legal request to transfer intelligence into evidence**

Data Protection (protection of reporting entity)

The identity of the reporting entity – source of information

- eG name of compliance officer of the reporting entity - the reporting person
- The entity itself
- The way of transimssion
- The reason for issuing the report
- Anything else that provides information about the source of the report

is protected!!!!

Interagency Co-operation

Who has access / get knowledge of / is informed about

The content of the STRs / SARs

- **FIUs**
- **Prosecution Units (sometimes only if pre-investigations led to suspicion**
- **National Anti Money Laundering Units**
- **Tax Administrations (in some countries information has to be shared with tax administrations**
- **Law enforcement agencies competent for investigating the predicate offence**
- **Foreign FIUs in cases with international co-operation by FIUs / Egmont Group**

Practical Exercise

Please check the bank statements of that VAT registered steel trading company (– all deposits (incoming transfers) are coming from companies outside of your country – all payments (outgoing transfers) are paid to companies in your country

What indicators for ML do you recognize?

What offences would you investigate for?

Is there enough evidence for starting a ML oder predicate-offence investigation „criminal“ ?

Would you start an investigation – „criminal or civil“?

25 min group discussions!



STR Bankaccount.pdf

Any Questions?????

Thank you kindly for your
attention!