

Financial crime: Law-Now alerts, tools and latest news

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SFO: Prison terms for corruption in oil and gas contracts

This SFO press release reports on the "Operator Navigator" case where corrupt payments were obtained for passing on confidential procurement information to bidding suppliers. The contracts related to a series of high-value oil and gas engineering projects between 2001 and 2009 in Iran, Egypt, Russia, Singapore and Abu Dhabi. Four individuals have been given prison sentences and a confiscation order will follow with respect to three of the defendants. (1/02/12)
<http://www.sfo.gov.uk/press-room/latest-press-releases/press-releases-2012/prison-terms-for-corruption-in-oil-and-gas-contracts.aspx>

SFO: Three jailed for a €22 million forgery fraud on a Swiss bank

SFO reports on three individuals who have been sentenced for their roles in defrauding EFG Private Bank of Zurich of €22 million through a loan application that was supported by a false claim in 2008 that over £76 million was held on deposit at a Guernsey bank as security. (30/01/12) <http://www.sfo.gov.uk/press-room/latest-press-releases/press-releases-2012/three-jailed-for-a-22-million-forgery-fraud-on-a-swiss-bank.aspx>

The Iran (European Union Financial Sanctions) (Amendment) Regulations 2012/190

These Regulations amend the Iran (European Union Financial Sanctions) Regulations 2010 (S.I. 2010/2937) ("the 2010 Regulations"), which put in place penalties for breach of EU financial sanctions in relation to Iran. The Regulations implement Council Regulation (EU) No. 56/2012 of 23 January 2012 ("the amending Council Regulation"), amending Regulation (EU) No. 961/2010 on restrictive measures against Iran (OJ L 19, 24.1.2012, p.1). The amending Council Regulation provides for derogations from the asset-freezing measures in respect of two entities: the Central Bank of Iran, and Bank Tejarat. (Date in force: 28/01/12) (27/01/12)
http://www.legislation.gov.uk/ukxi/2012/190/pdfs/ukxi_20120190_en.pdf

SFO: Serious economic crime - a boardroom guide to prevention and compliance

This paper, published jointly by SFO and White Page, is intended to give board-level readers in the UK and international businesses informed commentary on the impact of anti-fraud and anti-corruption legislation. Part I features chapters from a number of regulators and key bodies, including FSA on the role it plays in prosecuting market abuse and insider dealing and the City of London Police, which discusses what can be achieved by domestic prosecution agencies working in partnership with equivalent agencies on a global scale. OECD and Transparency International are among the other bodies contributing to this work. (25/01/12) <http://www.seriouseconomiccrime.com/ebooks/Serious-Economic-Crime.pdf> (NB: over 300 pages long)

SFO: Four guilty in £70 million contracts corruption case

SFO reports that four men have been convicted of conspiring to corruptly obtain payments by supplying confidential information about a series of high-value engineering projects in the oil and gas engineering industry. Amounting to around £70 million, the contracts affected were for engineering and procurement projects based in Iran, Egypt, Sakhalin Island (Russia), Singapore and Abu Dhabi, over the period 2001 to 2009. The case, named Operation Navigator, was heard at Southwark Crown Court, where the convicted defendants are to be sentenced on 30 January 2012. (25/01/12) <http://www.sfo.gov.uk/press-room/latest-press-releases/press-releases-2012/four-guilty-in-70-million-contracts-corruption-case.aspx>

The Proceeds of Crime Act 2002 (External Requests and Orders) Order 2005 (England and Wales) (Appeals under Part 2) Order 2012/138

This instrument is necessary for the operation of The Proceeds of Crime Act 2002 (External Requests and Orders) Order 2005/3181 (the 2005 Order). The 2005 Order sets out the provisions for the UK to give effect to requests from other countries in connection with their criminal investigations or proceedings and to orders arising from such proceedings. In particular and relevant to this instrument, Part 2 of the 2005 Order gives effect in England and Wales to such requests and orders. This instrument makes provision in respect of appeals to the Court of Appeal and the Supreme Court under Part 2 of the 2005 Order. (Date in force: 29/02/12) (25/01/12) http://www.legislation.gov.uk/ukxi/2012/138/pdfs/ukxi_20120138_en.pdf

SFO: Innospec

SFO reports that Dr David Turner, the former Innospec Limited Global Sales and Marketing has pleaded guilty to three counts of conspiracy to corrupt. The first two counts charged a conspiracy to give corrupt payments to public officials and other agents of the Indonesian and Iraqi governments as inducements to secure, or as rewards for having secured, contracts for Innospec from those governments for the supply of its products. He additionally pleaded guilty in respect of one charge of conspiracy to corrupt Iraqi public officials and other agents by making payments as inducements to ensure that tests on a competitor product concluded with an unfavourable assessment of that product. The sentencing of Dr Turner was adjourned. The case of two other Innospec executives was adjourned until 4 April 2012 for plea. (17/01/12) <http://www.sfo.gov.uk/press-room/latest-press-releases/press-releases-2012/innospec-ltd-former-director-pleads-guilty-to-corruption.aspx>

SFO: Shareholder agrees civil recovery by SFO in Mabey & Johnson

This press release notes that SFO has taken action in the High Court, which has resulted in an Order for the company, Mabey Engineering (Holdings) Ltd, to pay over £130,000 in recognition of sums it received through share dividends derived from contracts won through unlawful conduct Richard Alderman, SFO's Director, emphasises that "shareholders who receive the proceeds of crime can expect civil action against them to recover the money. The SFO will pursue this approach vigorously ... shareholders and investors in companies are obliged to satisfy themselves with the business practices of the companies they invest in. This is very important and we cannot emphasise it enough ... The SFO intends to use the civil recovery process to pursue investors who have benefitted from illegal activity. Where issues arise, we will be much less sympathetic to institutional investors whose due diligence has clearly been lax in this respect". (13/01/12) <http://www.sfo.gov.uk/press-room/latest-press-releases/press-releases-2012/shareholder-agrees-civil-recovery-by-sfo-in-mabey-johnson.aspx>

BBA/BSA/CML/IMLA: Mortgage fraud: Good practice guidance note

This guidance note has been produced in consultation with members of the above-mentioned associations in order to assist lenders in identifying and mitigating possible vulnerabilities to fraud in the mortgage lending process. It takes into account

several 2011 publications by FSA and it is noted that FSA has been consulted on this guidance and is aware of its contents, but that the guidance has no regulatory status and some of the examples of good practice given may not be appropriate for all firms. (5/01/12) <http://www.bba.org.uk/download/7342>

SOCA: SARs Regime Committee's Annual Report

This reviews the operation and performance of the SARs Regime over the year from October 2010 to September 2011 and notes on the performance of the UK Financial Intelligence Unit (UKFIU) against the second year of the three-year strategy for the SARs Regime set out in 2009. (23/12/11) http://www.soca.gov.uk/about-soca/library/doc_download/317-sars-annual-report-2011.pdf (NB: 60 pages long)

JMLSG: Further amendments to 2007 Guidance

JMLSG has reviewed comments received on the consultation version published in September 2011 and has now published final amendments to its December 2007 Guidance, which have been submitted to HMT for ministerial approval. The amendments proposed in September have been broadly confirmed, and a number of additional, relatively minor amendments have been made. Versions of the revised Parts, both "clean" and marked up, are available via the following link. (21/12/11) <http://www.jmlsg.org.uk/news/further-amendments-to-2007-guidance-20-december-2011>

BBA: Bribery Act 2010 - guidance on compliance

BBA has published this report, subtitled "practical implementation issues for the banking sector". It is intended to help banks to assess the policies and procedures they need to put in place to meet the requirements of the Bribery Act, and also considers the links with other requirements such as FSA regulations. A foreword notes that in 2012 BBA will be undertaking separate work in relation to wider bribery and corruption risks, including the issue surrounding corrupt Politically Exposed Persons (21/12/11) <http://www.bba.org.uk/download/7319> (NB: 40 pages long)

FSA: Rupinder Sidhu

FSA reports that, in a case brought by the regulator, Rupinder Sidhu, a management consultant, has been found guilty of 22 counts of insider dealing and sentenced to two years imprisonment. He was found not guilty on one other count of insider dealing. Between 15 May 2009 and 22 August 2009, He was jointly involved with another individual, Anjam Ahmad, an ex-hedge fund trader and risk manager with AKO Capital LLP, in insider dealing in 18 different UK and European listed shares, based on inside information obtained by Anjam Ahmad in his role as a trader at the firm. Rupinder Sidhu placed spread bets in relation to those securities and made approximately £ 524,000 profit. It is noted that Anjam Ahmad has already been sentenced in relation to insider dealing offences. A confiscation hearing will take place on 30 March 2012. (15/12/11) [Management consultant found guilty of insider dealing and sentenced to two years](#)

FSA: Cityshore Commodities Limited/Aaron Walker

FSA reports that it has secured a summary judgment in the High Court against the firm and its director, which confirmed that the firm sold land illegally to UK consumers. The parties were ordered to make an interim repayment of £200,000 through FSA, to their victims. They have also been banned for life from selling land by way of business in the UK. It is also noted that, earlier in the year, as part of the same case, Ashley Cunningham, a manager at the firm, consented to a similar prohibition and an order requiring her to pay to FSA sums received by her for her participation in the business. (15/12/11) [FSA obtains another High Court decision to protect consumers from unauthorised land banking firms](#)

The Protection of the Euro against Counterfeiting (Amendment) Regulations 2011/2944

These Regulations make provision relating to the enforcement of Council Regulation (EC) No. 1338/2001, as amended by Council Regulation (EC) No. 44/2009. These Regulations amend the Protection of the Euro against Counterfeiting Regulations 2001 ("the 2001 Regulations"), so that it is a criminal offence for banks and certain other financial institutions to fail to comply with the requirement in Article 6(1) of Council Regulation (EC) No. 1338/2001, as amended, to ensure that euro notes and coins are checked for authenticity. The Regulations also amend the category of persons who commit an offence under the 2001 Regulations if they fail to comply with the other requirements of Council Regulation (EC) No. 1338/2001, reflecting amendments made to that Regulation by Council Regulation (EC) No. 44/2009. The Regulations set out the maximum penalties which can be imposed on persons convicted of those offences. Regulation 3 requires HMT to review the operation and effect of these Regulations and publish a report within five years after they come into force and within every five years after that. Following a review it will fall to HMT to consider whether the Regulations should remain as

they are, or be revoked or be amended. A further instrument would be needed to revoke the Regulations or to amend them. (Date in force: 31/12/11) (12/12/11) <http://www.legislation.gov.uk/ukxi/2011/2944/made/data.pdf>

PS11/15: Financial crime: a guide for firms

FSA has responded to feedback received for CP11/12 which includes the final text of its new regulatory guide on financial crime. FSA notes that it has addressed concerns raised by respondents, confirming that the guidance should be applied in a risk-based, proportionate way and emphasising that it did not want to introduce detailed application provisions. Cross-references have also been added to the text to relevant statutory and regulatory requirements and the indexing has been improved to aid navigation. Separately, FSA has published a marked-up version of the guide to show changes from the original text published in the CP. (9/12/11) http://www.fsa.gov.uk/pubs/policy/ps11_15.pdf (NB: over 160 pages long) http://www.fsa.gov.uk/pubs/policy/ps11_15_fcguide_markedup.pdf (NB: 170 pages long)

SFO: Former partner of West End law firm found guilty of €22 million loan scam

In this press release, SFO notes that Kevin James Steele, a former Mishcon de Reya partner, has been convicted of forgery and two fraud offences. Two other defendants pleaded guilty before trial. They are all to be sentenced next month. (5/12/11) [Former partner of West End law firm found guilty of €22 million loan scam | Press room | SFO - Serious Fraud Office](#)

HoC International Development Committee: Financial crime and development

This report considers the agreement reached between SFO and BAE Systems in respect of improper book-keeping, which BAE Systems admitted in connection with the sale of a military air traffic control system to the Government of Tanzania, arguing that "the settlement agreement between the SFO and BAE Systems was deficient in a number of respects. We were astonished that it allowed the SFO and BAE Systems to hold different views about what would happen and when, and enabled BAE to believe that it could determine when the payment should be made ... Future settlement agreements of this type should be precise about what is required of those involved and include clear timetables". The report also considered a number of other issues relating to financial crimes and found that existing legislation provides sufficient scope to allow reparations to be made to developing countries in appropriate circumstances by British companies guilty of financial crimes and recommends that payments be proportionate to the offence. Although it is considered that changes are not required to the Bribery Act 2010, the report recommends that MoJ addresses SFO's recommendation that, in cases of financial crimes involving plea bargaining, the SFO and company involved could take a proposed resolution to a Judge before the criminal justice process has been engaged by a formal charge and that the Secretary of State for Justice should publish an annual report setting out the Government's plans for combating international corruption, including transnational financial crimes, and the progress made. (30/11/11) <http://www.publications.parliament.uk/pa/cm201012/cmselect/cmintdev/847/847.pdf> (NB: over 60 pages long) <http://www.publications.parliament.uk/pa/cm201012/cmselect/cmintdev/847/847vw.pdf> (written evidence - NB: over 50 pages long)

The Money Laundering (Amendment No.2) Regulations 2011/2833

These Regulations amend the Money Laundering Regulations 2007 (S.I. 2007/2157) which implement in part Directive 2005/60/EC of the European Parliament and of the Council (OJ No L 309, 25.11.2005, p. 15) on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing. Regulation 2 changes the supervisory authority for credit unions in Northern Ireland from the Department of Enterprise, Trade and Investment in Northern Ireland to FSA. Regulation 3 requires HMT to review the operation and effect of these Regulations and publish a report within five years after they come into force and within every five years after that. Following a review it will fall to HMT to consider whether the Regulations should remain as they are, or be revoked or amended. A further instrument would be needed to revoke or amend the Regulations. (Date in force: 31/3/12) (28/11/11) http://www.legislation.gov.uk/ukxi/2011/2833/pdfs/ukxi_20112833_en.pdf

The Terrorist Asset-Freezing etc. Act 2010 (Commencement) Order 2011/2835 (C.99)

This Order brings into force those provisions of the Terrorist Asset-Freezing etc. Act 2010 (c.38) which are not already in force to effect the transfer to FSA of the supervisory responsibilities of the Department of Enterprise, Trade and Investment in Northern Ireland for Northern Ireland credit unions contained in Schedule 7 to the Counter-Terrorism Act 2008 (c.28) (terrorist financing and money laundering). (Date in force: 31/3/12) (28/11/11) http://www.legislation.gov.uk/ukxi/2011/2835/pdfs/ukxi_20112835_en.pdf

HMT: Consultation on proposed changes to the Money Laundering Regulations 2007

HMT has now published a summary of responses in respect of the above. It is noted that FATF is finalising the review of its 40+9 standards to combat money laundering and terrorist finance, expected to be completed in February 2012. The new set of standards will require the EC to update the Third Money Laundering Directive, which is currently under review, and a report is expected in February or March 2012. The EC will then work towards a proposal for a new Fourth Money Laundering Directive which responds to the review and the new FATF standards. This proposal should be ready for autumn 2012. Negotiations on the new Directive will take place throughout 2012 and the EC aims for swift implementation in 2013. The UK will transpose the new Directive into national legislation. This will entail changes to the Money Laundering Regulations 2007 most likely in the course of 2013 or 2014. HMT acknowledges the impact of two sets of changes to the Regulations within a short period of time and intends to seek to minimise changes and where possible avoid making them in close succession. Its final response to the consultation will be published in Q1 2012. (24/11/11) http://www.hm-treasury.gov.uk/d/condoc_responses_changes_money_laundering_regulations2007.pdf

SFO: Boiler-room fraud case

This press release notes that three men have been sentenced at Chelmsford Crown Court to a combined nine years' imprisonment after pleading guilty to running a boiler-room fraud. The operation, based in Spain, targeted investors in the UK between 2009 and 2010 and took in over £1.3m. The defendants used high-pressure telesales techniques to promote worthless share bonds in non-trading companies pretending they were, in this case, shares in Chinese commodities firms. (22/11/11) <http://www.sfo.gov.uk/press-room/latest-press-releases/press-releases-2011/three-jailed-for-boiler-room-investment-fraud.aspx>

The Financial Restrictions (Iran) Order 2011/2775

This Order contains a direction given by the Treasury, under Schedule 7 to the Counter-Terrorism Act 2008 (c.28) ("the Act"), in response to the significant risk to the UK's national interests posed by activity in Iran that facilitates the development or production of nuclear weapons and in response to a FATF call for measures to be taken against Iran. The direction is given in relation to all persons operating in the UK financial sector, as defined in paragraphs 4 and 6 of Schedule 7 to the Act. The direction prohibits such persons entering into new transactions or business relationships with Iranian banks, their branches and subsidiaries, and the Central Bank of Iran, or continuing to participate in transactions or business relationships with them. HMT may grant licences under paragraph 17 of Schedule 7 to the Act to exempt certain acts from these prohibitions. The Order will cease to have effect at the end of the period of one year beginning with the day it is made, in accordance with paragraph 16(4) of Schedule 7 to the Act. (Date in force: 3.00pm, 21/11/11). HMT has published an accompanying press release and a written ministerial statement in relation to this piece of legislation, noting that this is the first time that the UK has used powers to cut an entire country's banking sector off from our financial sector. (21/11/11) http://www.legislation.gov.uk/ukxi/2011/2775/pdfs/ukxi_20112775_en.pdf [Chancellor announces new financial restrictions against Iran - HM Treasury](http://www.hm-treasury.gov.uk/d/written_ministerial_statement_comsec211111.pdf) http://www.hm-treasury.gov.uk/d/written_ministerial_statement_comsec211111.pdf

HMT: Anti-money laundering and counter terrorist finance supervision report 2010-11

HMT has worked with 28 appointed supervisors (see Annex A for the full list) to develop this report, the first edition of what is intended to become an annual publication. The report sets out HMT's analysis of the information provided by the supervisors, covering the following areas, highlighting good practice where possible: risk based approach; compliance visits; enforcement action; advice and outreach and information sharing. (21/11/11) http://www.hm-treasury.gov.uk/d/amltcf_supervision_report_201011.pdf

HMT: Statement on money laundering controls in overseas jurisdictions

This notice constitutes advice issued by HMT concerning risks posed by unsatisfactory money laundering controls in a number of jurisdictions and supersedes a notice published in July 2011. (17/11/11) http://www.hm-treasury.gov.uk/d/financial_sector_advisory_oct2011.PDF

The Terrorism Act 2000 and Proceeds of Crime Act 2002 (Business in the Regulated Sector) Order 2011/2701

This Order amends the definition of a business in the regulated sector for the purposes of Part 3 of the Terrorism Act 2000 (c.11) (terrorist property) and Part 7 of the Proceeds of Crime Act 2002 (c.29) (money laundering) by adding the activity of auctioning certain emission allowances. Those Parts contain provisions relating to the reporting of suspicious activity, including requirements and offences specific to such businesses. (Date in force: 12/12/11) (11/11/11) http://www.legislation.gov.uk/ukxi/2011/2701/pdfs/ukxi_20112701_en.pdf

SFO: SFO Confidential

SFO has announced details of this reporting service which is designed to cater specifically for people who, though not themselves the victim of fraud or directly disadvantaged by corruption, have knowledge through their professional activities of situations that appear to be suspicious. Whistleblowers can call a special number and talk through their concerns with an "SFO Confidential" advisor. A whistleblower's identity will be securely protected, though contact can be made anonymously if preferred. (2/11/11) [Blow the Whistle! New route for insiders to unmask fraud and bribery | Press room | SFO - Serious Fraud Office](#)

HMT: Consolidated list of financial sanctions targets in the UK

HMT has published an updated consolidated list. (2/11/10) <http://www.hm-treasury.gov.uk/d/sanctionsconlist.pdf> (NB: 160 pages long)

OFT: Visits to businesses under the Money Laundering Regulations 2007

This code of practice provides businesses with information on what can be expected when OFT visits their premises in the course of performing its functions under MLR. (2/11/11) http://www.ofg.gov.uk/shared_ofg/AML/OFT1386.pdf

FATF: October 2011 plenary meeting

FATF has published details of outcomes arising out of this meeting. (31/10/11) [Outcomes of the Plenary meeting of the FATF, Paris, 27-28 October 2011](#)

FSA: Speech by Tracey McDermott: The FSA's Financial Crime "hot topics": issues for the year ahead (27 September 2011)

This speech, given at an APCIMS conference, has now been published. Topics include: impact of UK regulatory changes on the approach to financial crime; guide on financial crime; thematic work on AML controls in banks; market abuse; unauthorised investment scams. (25/10/11) [The FSA's Financial Crime "hot topics": issues for the year ahead](#)

EC: MAD

The EC has set out proposals with regard to the revision of MAD with the objectives of keeping pace with market developments (extending scope to commodity and related derivative markets); reinforcing regulators' investigative and sanctioning powers; proposals with regard to fines and reducing administrative burdens on SME issuers: The proposal now passes to the European Parliament and the Council for negotiation and adoption. Once adopted the regulation would apply from 24 months after its entry into force. (20/10/11) [EUROPA - Press Releases - Getting tough on insider dealing and market manipulation](#)
<http://europa.eu/rapid/pressReleasesAction.do?reference=MEMO/11/715&format=HTML&aged=0&language=EN&guiLangu age=en> (FAQ) http://ec.europa.eu/internal_market/securities/docs/abuse/COM_2011_651_en.pdf (Regulation – NB: over 70 pages long) http://ec.europa.eu/internal_market/securities/docs/abuse/COM_2011_654_en.pdf (Directive on criminal sanctions for insider dealing and market manipulation)

HMRC: Review of the Money Laundering Regulations 2007: the Government response

HMRC has published its response to the above, noting "we think that the headline measures within the consultation - removal of the criminal sanction and exempting micro businesses - are an understandable response to what Government was told in the course of its original call for evidence. However we think that there are significant risks to both measures that are hard to mitigate". (19/10/11) <http://www.hmrc.gov.uk/mlr/mlr-review.pdf>

Wolfsberg Group: Guidance on prepaid and stored value cards

This paper considers the money laundering risks and mitigants of physical prepaid and stored value card Issuing and merchant acquiring activities. (18/10/11) http://www.wolfsberg-principles.com/pdf/Wolfsberg_Guidance_on_Prepaid_and_Stored_Value_Cards_Oct_14,_2011.pdf

The Syria (Asset-Freezing) (Amendment) Regulations 2011/2479

These Regulations amend the Syria (Asset-Freezing) Regulations 2011 (S.I. 2011/1244) ("the principal Regulations"). The principal Regulations enforce provisions of Council Regulation (EU) No. 442/2011 of 9 May 2011 (OJ L 121, 10.5.2011, p.1) concerning restrictive measures in view of the situation in Syria ("the first Council Regulation"). The measures include the freezing of funds and economic resources of designated persons and prohibitions on funds and economic resources being made available to them or for their benefit. Council Regulation (EU) No. 1011/2011 of 13 October 2011 (OJ No. L 269, 14.10.2011, p.18) amends the first Council Regulation by applying asset-freezing measures to an additional entity listed in Annex IIa to the first Council Regulation. A derogation permits, on a temporary basis, the use of funds received by a person listed in Annex IIa after the date of that person's listing. The funds must be used for the purpose of making a payment due under a trade contract. These Regulations amend the principal Regulations by including references to the list in Annex IIa and by making provision for a limited exception to the asset freeze reflecting the new derogation. (Date in force; 6.00pm, 17/10/11) (17/10/11) http://www.legislation.gov.uk/ukxi/2011/2479/pdfs/ukxi_20112479_en.pdf

ECOFIN: Staff working paper on anti-money laundering supervision of and reporting by payment institutions in various cross-border situations

The purpose of this document is to provide guidance to EU supervisors and private stakeholders as regards the interaction of the Payment Services Directive and the Anti-Money Laundering Directive with respect to the supervision of payment institutions and their reporting obligations under the AML Directive in various cross-border situations. (11/10/11) <http://register.consilium.europa.eu/pdf/en/11/st15/st15288.en11.pdf>

SFO: Gresham Ltd

SFO has published a press release detailing the case against six defendants over two trials in a £4 million commercial loans advance fee fraud now that reporting restrictions have been lifted. (6/10/11) [Edward Davenport and five others convicted in Gresham advanced fee fraud | Press room | SFO - Serious Fraud Office](http://www.sfo.gov.uk/pressroom/2011/10/06/Edward_Davenport_and_five_others_convicted_in_Gresham_advanced_fee_fraud_Press_room_SFO_Serious_Fraud_Office)

The Libya (Asset-Freezing) (Amendment) Regulations 2011/2390

These Regulations make provision relating to the enforcement of Council Regulation (EU) No. 965/2011 of 28 September 2011 amending Regulation (EU) No. 204/2011 concerning restrictive measures in view of the situation in Libya. Council Regulation (EU) No. 204/2011 has been amended so that four entities (Central Bank of Libya, Libyan Arab Foreign Bank (also known as the Libyan Foreign Bank), Libyan Investment Authority and Libyan Arab Investment Portfolio) are no longer listed in Annex II to the Council Regulation as entities all of whose assets are frozen. The four entities remain subject to a modified asset freeze under Article 5(4) of the Council Regulation. These Regulations provide that the penalties contained in the Libya (Asset-Freezing) Regulations 2011 will apply to breaches of the modified asset freeze in respect of those four entities. (Date in force: 3.00pm, 29/09/11) (29/09/11) http://www.legislation.gov.uk/ukxi/2011/2390/pdfs/ukxi_20112390_en.pdf

European Parliament: European Parliament resolution of 15 September 2011 on the EU's efforts to combat corruption

The European Parliament is urging the EC to bring forward its assessment of anti-corruption efforts in the EU to 2012, sooner than proposed in its anti-corruption package presented in June. It wants an EU-wide definition of corruption as well as EU-wide sanctions and calls on all EU institutions and Member States to improve transparency by drawing up codes of conduct or improving existing ones, with clear rules banning conflicts of interest. A link to the non-legislative resolution appears in the second link below. (21/09/11) http://www.europarl.europa.eu/pdfs/news/expert/infopress/20110915IPR26706/20110915IPR26706_en.pdf
<http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+TA+P7-TA-2011-0388+0+DOC+XML+V0//EN&language=EN>

OFT: Money Laundering Regulations 2007 – interim penalty policy

OFT has published a revised edition of this document, originally published in May 2011, which sets out OFT's approach to imposing civil financial penalties for breaches of the MLR other than for trading whilst unregistered and on other breaches of MLR. (16/09/11) http://www.of.gov.uk/shared_of/money-laundering/OFT1271.pdf

JMLSG: Proposed revision of JMLSG Guidance

The JMLSG board has approved a number of amendments to the Guidance and has published the revised text for consultation, showing the amendments proposed. These are available to download via the following link, which also provides a cover note. Amendments proposed to Part I are relatively minor. For Part II, the guidance relating to Trade Finance (sector 15) has been updated, as well as incorporating the previous text on Proliferation financing from Part III. The text on electronic money (sector 3) is still being amended to reflect the implementation of the Electronic Money Regulations, and will be published for comment in due course. Responses to the amendments are required by 17 October 2011. (15/09/11) <http://www.jmlsg.org.uk/news/proposed-revision-of-jmlsg-guidance>

SFO: Bio-diesel investment fraud

This SFO press release reports that seven men are facing jail after being convicted for their roles in an £8m boiler-room fraud. The Spanish-based operation targeted thousands of investors in the UK to push shares in a bio-diesel company, Worldwide Bio Refineries. The one defendant who pleaded guilty gave evidence for the prosecution. They are to be sentenced on 23 September 2011. (12/09/11) <http://www.sfo.gov.uk/press-room/latest-press-releases/press-releases-2011/seven-guilty-in-bio-diesel-investment-fraud.aspx>

FSA: Financial Crime Newsletter 15

Topics include: pilot for core financial crime programme; AML thematic review ("we are extremely concerned ... cases have been referred to our enforcement division with the prospect of more to come"); mortgage fraud and the Bribery Act. (9/09/11) http://www.fsa.gov.uk/pubs/newsletters/fc_newsletter15.pdf

OFT: The Money Laundering Regulations 2007

OFT has published its response to the HMT review. (31/08/11) http://www.of.gov.uk/shared_of/AML/response.pdf

FSA: Three sentenced to jail for operating £27.5m boiler room scam

Following a joint FSA/ City of London Police and Eurojust investigation, Tomas Wilmot, the ringleader of what is described as a syndicate of boiler rooms, has been sentenced to nine years imprisonment, while his sons Kevin and Christopher were given five years imprisonment each. The sentences were passed following the individuals' convictions on four offences of conspiracy to defraud which resulted in £14m of losses involving an estimated 1,700 investors, many of whom were elderly and, in some cases, seriously ill. FSA notes that the investigation was the first time it had secured the support of Eurojust, which coordinates investigations in several EU member states and says that its help resulted in vital information and evidence being obtained that helped convict the Wilmots. (22/08/11) [Three sentenced to jail for operating £27.5m boiler room scam](http://www.fsa.gov.uk/pubs/press-releases/2011/three-sentenced-to-jail-for-operating-27.5m-boiler-room-scam)

Wolfsberg Group: Trade finance principles

The principles are designed to define standards for the control of anti-money laundering and terrorist financing risks associated with trade finance activities. (22/08/11) http://www.wolfsberg-principles.com/pdf/WG_Trade_Principles_Paper_II_Final_11-03-11.pdf (NB: over 40 pages long)

Wolfsberg Group: Anti-corruption guidance

The document identifies some of the measures financial institutions may consider in order to prevent bribery in their operations and protect themselves against the misuse of their operations with regard to corruption. In addition, it sets out guidance for an internal function against corruption appropriate for a global financial institution. (22/08/11) [http://www.wolfsberg-principles.com/pdf/Wolfsberg%20Anti%20Corruption%20Guidance%20Paper%20August%2018-2011%20\(Published\).pdf](http://www.wolfsberg-principles.com/pdf/Wolfsberg%20Anti%20Corruption%20Guidance%20Paper%20August%2018-2011%20(Published).pdf)

SFO: Vintage Hallmark plc; final trial in linked investment frauds

In this press release, SFO reports on what it describes as the final case in a series of linked investment frauds to be investigated and prosecuted by the SFO and gives details of the outcomes in all the linked cases. (17/08/11) <http://www.sfo.gov.uk/press-room/latest-press-releases/press-releases-2011/vintage-hallmark-plc-final-trial-in-linked-investment-frauds.aspx>

HMT: Consolidated list of financial sanctions targets in the UK

HMT has published an updated consolidated list. (12/08/11) <http://www.hm-treasury.gov.uk/d/sanctionsconlist.pdf> (NB: over 160 pages long)

Lloyd's: Financial crime endorsement to binding authority wordings

The covering text notes that, due to their relationship with managing agents, coverholders can pose a potential financial crime risk as "associated persons" under the Bribery Act. The wording of the financial crime endorsement has been drafted to take account of money laundering and international sanctions in addition to addressing bribery implications. (12/08/11) <http://www.lloyds.com/~media/Files/The%20Market/Communications/Market%20Bulletins/2011/08/Y4510.pdf>

The Afghanistan (Asset-Freezing) Regulations 2011/1893

These Regulations make provision relating to the enforcement of Council Regulation (EU) No 753/2011 of 1 August 2011 (OJ L 199, 2.8.2011, p.1) concerning restrictive measures directed against certain individuals, groups, undertakings and entities in view of the situation in Afghanistan. The measures include the freezing of funds and economic resources of designated persons and ensuring that funds and economic resources are not made available to them or for their benefit. (Date in force: 5/08/11) (8/08/11) <http://www.legislation.gov.uk/ukSI/2011/1893/made/data.pdf>

HMT: UK enforcement measures for EU regulations 44/2009 and 45/2009 on counterfeit Euros

In this consultation, HMT Government proposes to amend the existing UK law which imposes penalties for breach of the EU rules relating to counterfeit Euros so that the businesses involved in Euro handling and distribution are subject to sanctions if they breach the EU regulations. This will be done either by creating an offence of failure to comply with the EU measure or by implementing a new regulatory regime. Responses are required by 1 November 2011. The intention is for the new regulations to be in force by 31 December 2011. (2/08/11) http://www.hm-treasury.gov.uk/d/consult_counterfeit_euros.pdf

FATF: Laundering the proceeds of corruption

In this report, FATF analyses the most common methods used to launder the proceeds of corruption and considers vulnerabilities leading to an increased risk of such laundering. It argues that "past cases demonstrate that AML standards are not always being implemented by financial institutions; nor are AML laws and regulations being enforced by regulatory authorities or supervisors. Case after case shows how financial institutions have failed to follow AML procedures – even where those procedures called for only an ordinary risk-based approach – and have thus given corrupt PEPs [politically exposed persons] continued and unabated access to the global financial system". (1/08/11) <http://www.fatf-gafi.org/dataoecd/31/13/48472713.pdf> (NB: over 50 pages long)

The Money Laundering (Amendment) Regulations 2011/1781

These Regulations amend the Money Laundering Regulations 2007 (S.I. 2007/2157) so that a junior ISA is included as a product qualifying for simplified due diligence. The effect of the amendment is that a person required to comply with the Regulations need not apply full customer due diligence measures in relation to a transaction concerning a junior ISA in certain circumstances. (Date in force: 1/11/11) (1/08/11) <http://www.legislation.gov.uk/ukxi/2011/1781/made/data.pdf>

EC: Common understanding between Member States on third country equivalence under the Anti-Money Laundering Directive (Directive 2005/60/EC)

This short document, dated June 2011, reports on third countries currently considered as having equivalent AML/CFT systems to the EU. (26/07/11) http://ec.europa.eu/internal_market/company/docs/financial-crime/3rd-country-equivalence-list_en.pdf

HMT: Statement on money laundering controls in overseas jurisdictions

This notice constitutes advice issued by HMT concerning risks posed by unsatisfactory money laundering controls in a number of jurisdictions and supersedes a notice published in April 2011. (28/07/11) http://www.hm-treasury.gov.uk/d/financial_sector_advisory_june2011.PDF

EC: Commission presents options for establishing a European system for tracking terrorist financing

Responding to the call from the European Parliament and the Council of the European Union, the EC has adopted a Communication outlining the main options for establishing a European Terrorist Finance Tracking System. The EC will now discuss these options in detail with the Council and the European Parliament before deciding on further steps on the basis of a thorough impact assessment. (13/07/11) [EUROPA - Press Releases - Commission presents options for establishing a European system for tracking terrorist financing](#)

Archived material on the sector is available via the following links: [January-June 2009](#), [July-December 2009](#), [January-December 2010](#) and [January-July 2011](#).

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