



Research Paper

An Analysis of the Factors Increasing Money Laundering In England Due To Certain 'Fallacies' In the Law

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I. The Issue - an Overview

In 1998, the then-director of the International Monetary Fund (IMF) brought attention to the issue of money laundering by estimating the amount of money being laundered at 2%-5% of world GDP (Camdessus, 1998)¹. Recently, the "Troika Laundromat", including the transfer of billions of dollars in illegal Russian cash through anonymous offshore entities, was exposed by the Organized Crime and Corruption Reporting Project (OCCRP) (OCCRP, 2019).² In another example, shell companies incorporated in the UK alone were identified to be associated with laundering 80 billion pounds of stolen money between 2010 and 2014 (Cowdock, 2017).³

How about a poll to find out what people think of the term 'Money Laundering'? Most people believe that money notes must have been dried, washed or 'dry-cleaned' at some point. While this statement might be correct to some degree, the general public has little knowledge about the world's third-largest sector in this respect. There might be a \$1.5 trillion market for this business, according to IMF estimates. The act of making substantial sums of unlawfully acquired funds (such as those earned via drug trafficking, terrorist activities or other major crimes) seem to have come from a legitimate source is known as money laundering. Simply put, it's a matter of converting 'black' money to 'white' money (Levi and Reuter, 2009).³ Of course the process involves sorting through mounds of cash. This permits launderers to retain

control over their profits and eventually give a plausible cover for their source of income (if it is done effectively). Drug traffickers, terrorists and other organised criminals rely on money laundering to escape the attention that sudden riches bring from unlawful operations. Insider dealers, tax evaders and many more also benefit from money laundering. These nefarious organisations are out to get money and power by committing crimes, and they're doing it by infiltrating the rest of society and misrepresenting the terms of the deal. It is also no doubt that members of the criminal industry are able to enjoy extravagant lives thanks to the millions of dollars they make from the agony and sorrow that their unlawful activity generates.

£88 billion is laundered in England each year, making it the second-largest sum of money laundered in the world. Banks are at the centre of a huge worldwide issue involving money laundering and organised crime, and their inability to detect suspicious behaviour is one reason for the large amounts and high values of money that criminals in England have been able to clean up.⁵

Saad Bajwa (2013) examined anti-money laundering in the UK and Paistan.⁴ An analysis of the legal and contextual origins of anti-money laundering policies in these two states are conducted, with the geographical

¹ Camdessus, M. (1998), 'Money laundering: the importance of international countermeasures', in Plenary Meeting of the Financial Action Task Force on Money Laundering, Paris.

² OCCRP (2019), 'The Troika Laundromat', The Organized Crime and Corruption Reporting Project. ³ Cowdock, B. (2017), 'Hiding in Plain Sight: How UK Companies are used to launder corrupt wealth', United Kingdom, Transparency International UK.

³ Levi, M. and Reuter, P. (2009), 'Money Laundering', in Tonry, M. (Ed.) The Oxford Handbook of Crime and Public Policy, Oxford University Press, Oxfords, pp. 356- 380.

⁴ Bajwa, Saad, 'A Comparative Analysis of Anti-Money Laundering Law in the United Kingdom and Pakistan', (2013), SSRN Electronic Journal. 10.2139/ssrn.2372983.

location of both states and their shift toward neoliberal economics believed to having had played an important role. According to the study, anti-money laundering regimes in both the countries were shaped by international organisations, and this cannot be overstated, since both countries were compelled to use affirmative law-making rather than slowly building their own jurisprudences. Discussions on anti-money laundering policies, however, is limited to legal and criminal justice aspects, ignoring important issues like international cooperation. As a result of a comprehensive investigation, he concluded that

⁵ National Criminal Agency, ‘The Threat from Money Laundering’

<https://www.nationalcrimeagency.gov.uk/what-we-do/crime-threats/money-laundering-and-illicitfinance>
accessed 1 August 2022.

significant progress has been accomplished. In contrast, Pakistan has been unable to successfully prosecute anybody due to a lack of execution and efficacy of the legal systems in place. In addition, Pakistan's success in combating the funding of terrorism has been painfully sluggish, despite the country's possibly existential danger from terrorism. As is said, despite that "Pakistan's recent efforts to fix the flaws in its legislation might be considered acceptable". In addition to other challenges, political and administrative lethargy, as well as widespread corruption in key institutions, may be cited as the primary reasons why Pakistan has been unable to replicate the success of the United Kingdom in this field.

'This is exactly what happens in money laundering: unlawful or filthy money is pushed through a series of transactions or laundered so that it emerges as legal or clean money at the other end. That is to say, the source of money that has been gained unlawfully is hidden via a series of transfers and negotiations, so that the same money might finally seem to be legitimate revenue.'

– Robinson

When an asset is laundered, it is done so with the intent to hide the fact that it came from an illegal source, or to help the criminal who committed the crime (According to the United Nations (UN) 2000 Convention (UNODC, 2004)).⁵ In order to avoid detection by tax officials or law enforcement, efforts are taken to conceal the unlawful income's true source and origin before depositing it into the financial system (Compin, 2008).⁶ In addition to illegal acts like

drug smuggling, hacking, bribery and so on, there is a gray-area within lawful practises that

involves hiding money from the government. It is with these actions where the black market emerges (Schneider and Windischbauer, 2008, Schneider, 2010).⁷

The process of money laundering comprises three stages, namely placement, layering and integration (Buchanan (2004)).⁸ Yet, the term 'Money Laundering' is a relatively new one. Money laundering is a contemporary crime, compared to street crimes. The term 'victimless

crime' is often used, but the truth is that it is a crime against countries, economies, governments, the rule of law and the entire globe at large, rather than a crime against a specific person.

Illegal weapons sales, smuggling, corruption, drug trafficking, and the acts of organised crime, including tax avoidance, produce large quantities of money for criminals. It's not only bribery, insider trading, and computer fraud schemes that make money illegally, but money laundering as well. It is essential for the perpetrators of a criminal operation to find a technique to handle the finances without drawing attention to themselves or their accomplices. To avoid detection, criminals disguise or alter the source of cash, or move them to a location where they are less likely to draw notice. Otherwise, law enforcement agents would take the money and link them to the unlawful activities.

In the UK, money laundering is defined in the Proceeds of Crimes Act 2002 (POCA) and includes all forms of handling or possessing criminal property, including possessing the proceeds of one's own crime, and facilitating any handling or possession of criminal property.

A person's profit from criminal action is classified as 'criminal property' (as specified in POCA) if the accused offender knows or thinks that the item in issue reflects such a benefit. Criminal property might be in the form of cash, securities, physical or intangible assets, or any

⁵ UNODC (2004), 'United Nations Convention Against Transnational Organized Crime and the Protocols Thereto', Vienna, United Nations.

⁶ Compin, F. (2008), 'The role of accounting in money laundering and money dirtying', *Critical Perspectives on Accounting*, Vol. 19 No. 5, pp. 591-602.

⁷ Schneider, F. and Windischbauer, U. (2008), 'Money laundering: some facts', *European Journal of Law and Economics*, Vol. 26 No. 3, pp. 387-404.

⁸ Buchanan, B. (2004), 'Money laundering—a global obstacle', *Research in International Business and Finance*, Vol. 18 No. 1, pp. 115-127.

combination of these. Money laundering may take place everywhere in the globe, and it can vary from a simple one-person operation to a multi-person operation. It does not have any materiality or *de-minis* exclusions (Schwarz, 2011).¹¹

Globalisation and the, what can be known as a 'communications revolution', have also definitely broadened the scope of criminal activity and increased the complexity of the financial components of this crime. Due to the widespread presence of international banks, it is now easier than ever to move money throughout the globe and hide its true source. A country's security might be put at jeopardy by this, regardless of its size or population. Laundering allows illicit conduct to go on, despite the risks.⁹

The danger of money laundering to national economies and governments cannot be overstated. Economic and political stability may be threatened by the entrance and occasional saturation of filthy money into legal financial sectors and national accounts. A nation's economy suffers greatly when economic crimes are committed, due to the sheer number of people who might be harmed. People who seem to be unwitting victims of economic crimes might also suffer as a result of the crime. The loss of government income due to tax evasion, for example, affects the government's ability to spend on development programmes, which in turn affects a huge portion of the population. Investing in a firm that commits fraud not only defrauds its customers, but it may also have a negative impact on the economy as a whole.

However, it is clear that money laundering harms the economy's financial sector institutions, reduces productivity in the real sector by diverting resources and encouraging crime and

¹¹ Schwarz, P. (2011), 'Money launderers and tax havens: Two sides of the same coin?', *International Review of Law & Economics*, Vol. 31 No. 1, pp. 37-47.

corruption, which impedes economic growth; it can also distort the economy's external sector international trade and capital flows to the detriment of long-term economic growth.

The effects of money laundering and related activities may fall on the financial sector, real sector of formal agents such as state, financial institutions and the banking sector.¹⁰

The Financial Sector

The financial sector, including banks, non-banking financial institutions (NBFIs), and equities markets, may suffer unfavourable consequences as a result of money laundering. Essentially, these organisations aid in the accumulation of money from both local and international sources. Institutions like this encourage long-term economic development by creating a favourable climate for investment and allocating scarce resources wisely among a variety of worthwhile endeavours.

Money laundering has two effects on the long-term viability and growth of financial institutions:

1. Financial institutions are directly damaged by money laundering, since there seems to be a link between money laundering and fraudulent activity by personnel of financial institutions. As a result of the rise in money laundering, several state-owned financial institutions have become targets for organised crime. As a result of this, criminals and other money-laundering networks are bolstered. This could lead to a monopoly and the eviction of less well-equipped competitors.

2. When depositors and investors fear that their money may be stolen or corrupted by an institution, it's hard for them to build up customer trust, which is a prerequisite for healthy financial institutions.

The Real Sector

Money laundering has a negative impact on economic development by diverting resources to less productive industries and encouraging domestic corruption and criminality.

Real estate, art, antiques, jewellery and luxury vehicles are examples of 'sterile' investments that do not contribute to the economy in a meaningful way but are nonetheless used to launder money. Developing nations suffer greatly as a result of these suboptimal resource allocations, which reduce economic progress. Criminals reinvest their income, whether legal or illicit, in businesses and real estate in order to generate more money. Bars, restaurants

⁹ Vandana Ajay Kumar, 'Money Laundering: Concept, Significance and its Impact' Vol 4, No.2, 2012, *European Journal of Business and Management*.

¹⁰ Brent L. Bartlett, 'The Negative Effects of Money Laundering on Economic Development' May 2002, *The Asian Development Bank Regional Technical Assistance Project No.5967 Countering Money Laundering in The Asian and Pacific Region*.

and illegal prostitution parlours are among the most popular targets for these investments. The real estate industry is the biggest and most susceptible to money laundering. Since a non-transparent market, real estate lends itself well to money laundering, as it is a location where enormous sums of cash may be deposited and where value rises can occur quickly. Property prices rise, and yearly gains from genuine business give a legal foundation for income. Among the factors

that make the property appealing to criminals are the following:

! a safe investment

! the objective value is difficult to assess

! it allows the realisation of 'white' returns.

The External Sector

Any country's economy may be harmed by money laundering operations because of international commerce and financial movements. Foreign or local financial institutions may help enable large-scale criminal money outflow from a country. That unlawful capital flight takes precious resources, particularly from emerging nations, hence the economic progress of the corresponding country is negatively affected. Foreign investors' and financial institutions' confidence in a country's financial institutions is harmed by money laundering, which has a knock-on effect on local faith in their own domestic financial institutions. Additionally, money laundering conduits may be linked to a country's import and export distortions. Importing luxury items with laundered cash or as part of the laundering process is possible when criminal elements are involved on the export side as well.

As a result, such imports do not contribute to domestic economic activity or employment, and in certain situations might artificially lower domestic prices, affecting the profitability of local businesses. The notion that the banking and financial services industry operates within a framework of high legal, professional and ethical standards is critical to its integrity. One of a financial institution's most important assets is its good name in the marketplace. It may be bad for a country's image if it says that it wants to attract 'illegal money'.

Focusing on identifying and fixing gaps in the current literature is a primary goal of Tiwari's study (Tiwari et al., (2020)).¹¹ The Pro-Quest, Scopus and Science-Direct databases were the focus of a comprehensive assessment of the money laundering literature. After doing a literature review, a number of broad study subjects were discovered. Later, the topic of detecting money laundering was expanded upon. "Researchers have highlighted the most important detection methods and the research gaps that need to be filled in future investigations."¹² The anti-money laundering framework and its effectiveness, the impact of money laundering on other fields and the economy, the role of actors and their relative

importance, the magnitude of money laundering, new opportunities for money laundering and

detection of money laundering can all be found in the literature on money laundering. "Most research on money laundering have focused on novel technology, financial transactions, or real estate and trade-based money laundering."¹³ Research on detecting shell firms that are specifically intended to launder money, on the other hand, is scant. This report sheds light on an area of money laundering research that has received very little attention. More than £80 billion in stolen money was laundered via Shell businesses registered in the UK alone between 2010 and 2014. According to the laundry scams and data dumps, illegal cash transfers via these businesses should be a priority for law enforcement agencies.

II. FAILURE OF AGENCIES DEALING WITH MONEY LAUNDERING ISSUES IN ENGLAND

Aurasu and Aspaella made a comparison of the UK's and Malaysia's forfeiture regimes under their respective Money Laundering Acts (Aurasu and Aspaella (2018)).¹⁴ There is a lot of room for comparison between the laws of these two nations. It was determined that the UK's Money Laundering Act covers more crimes and requires a lower burden of evidence than the Malaysian Act.

¹¹ Tiwari, Milind and Gepp, Adrian & Kumar, Kuldeep, 'A review of money laundering literature: the state of research in key areas' (2020). Pacific Accounting Review. ahead-of-print. 10.1108/PAR-06-2019-0065.

¹² Ibid.

¹³ 16 Ibid.

¹⁴ Aurasu, A. and Aspaella, A. R. (2018), 'Forfeiture of criminal proceeds under anti-money laundering laws: A comparative analysis between Malaysia and United Kingdom (UK)', Journal of Money Laundering Control, Vol. 21 No. 1, pp. 104-111.

When we discuss about analysis of relevant instances and assessment of current whistle-blower and anti-money laundering legislation, a study by Peter Yeoh is the best bet.¹⁵ The efficacy of UK anti-money laundering legislation seems to be hampered by the prevalence of defensive reporting, notably in the financial services industry. He stated that whistleblowing laws are not well known or understood by working people, despite the fact that they have been adopted and modified in other jurisdictions due to their apparent comprehensiveness. According to preliminary findings from money laundering incidents, whistleblowing may have had a significant role in reducing the size of the negative repercussions and thereby highlighting the significance of whistleblowing in the battle against money laundering. "According to this article, although money laundering is carried out by hard-core criminals, others in the financial system who are motivated by profits can help it along." Those involved in the process, especially workers, should be encouraged to report suspicious activity via appropriate channels

when they come across it (Yeoh, 2014)¹⁶. This, in conjunction with subsequent revisions to suspicious activity reporting methods mandated by AML rules, is said to reduce defensive reporting, allowing enforcement authorities to concentrate more effectively on corrective activities.

The following agencies investigate and prosecute ML: -

- a) In England and Wales, the National Crime Agency pursues high-end and complicated money laundering crimes, as well as asset recovery. Cases with an international dimension are given special attention in this book.
- b) Substantial Fraud Office is responsible for the investigation and prosecution of ML involving serious or sophisticated fraud, corruption, and/or bribery in the United Kingdom, as well as Northern Ireland. There are separate ML cases being investigated and prosecuted by the SFO's proceeds of crime section.
- c) the HMRC Fraud Investigation Service focuses on the investigation of money laundering related to tax crimes and violations of the Money Laundering Regulation (MLR) involving HMRC-supervised firms. When appropriate, it employs tax authorities to target criminal organisations and aid others in TF investigations, as well as to recover cash inland.¹⁷
- d) Furthermore, the FCA has jurisdiction over ML that falls within the scope of its legislative goals, including as market manipulation, insider trading, and illegal commercial activity like boiler room scams.

There are 43 police forces in England and Wales that focus largely on ML connected to predicate offences at the local level. As part of a larger effort to tackle money laundering and other economic crimes, the Metropolitan Police Service and the City of London Police have specific squads in place. However, Norton critiqued the UK's AML legislative changes and highlighted its failure to clearly define "suspicious activity", thus leading to a low threshold to report (Norton (2018)).¹⁸ As a result, there was a notable increase in the volume of reporting by auditors.

The following authorities manage targeted financial sanctions and asset freezing:

- a) The Foreign and Commonwealth Office has overall responsibility for the UK's policy on international sanctions.
 - b) The Office of Financial Sanction Implementation (OFSI) within HMT leads the UK's implementation of financial sanctions and terrorist asset freezing.
- Jakobi examined the global AML regime from a security governance perspective and concluded that AML clearly represents the elements of security governance (Jakobi (2018)).¹⁹ The main AML/CFT supervisory bodies are described below:

¹⁵ Yeoh, Peter, 'Enhancing effectiveness of anti-money laundering laws through whistleblowing', (2014). Journal of Money Laundering Control. 17. 10.1108/JMLC-06-2013-0020.

¹⁶ 19 Ibid.

¹⁷ Mazars "Who are the HMRC Fraud Investigations Service Unit and What Do They Do" <https://www.mazars.co.uk/Home/Services/Tax/Tax-Dispute-Resolution/Who-are-the-HMRC-FraudInvestigations-Service-Unit>, accessed 28 March 2022.

¹⁸ Norton, S. D. (2018), 'Suspicion of money laundering reporting obligations: Auditor compliance, or sceptical failure to engage?', *Critical Perspectives on Accounting*, Vol. 50, pp. 56-66.

¹⁹ Jakobi, A. P. (2018), 'Governing illicit finance in transnational security spaces: the FATF and antimoney laundering', *Crime, Law and Social Change*, Vol. 69 No. 2, pp. 173- 190.

- a) Financial institutions are regulated by the Financial Conduct Authority (FCA).
- b) Her Majesty's Revenue and Customs (HMRC) oversees money service firms, estate agents, high-value dealers, accountants, and trust and company service providers who

are not members of and overseen by an authorised professional body or otherwise supervised by the FCA.

c) The legal and accounting fields are overseen by 22 certified professional body supervisors. By far, the Institute of Chartered Accountants in England and Wales (ICAEW) is the most significant regulator of accountant practice in the United Kingdom. The Law Society of England and Wales (LSEW), which regulates its members via the Solicitors Regulation Authority (SRA) and oversees more than 80% of the UK legal profession, is by far the biggest supervisor of attorneys.

d) in the Office for the Professional Body, It is the responsibility of AML supervision (OPBAS) to keep a close eye on the legal and accounting professions. To address the deficiencies in AML/CFT monitoring outlined in the 2015 NRA, it was established. It aims to improve the use of the risk-based approach and ensure that effective, appropriate, and dissuasive punishments are used.

e) For all gaming service providers in the United Kingdom, the Gambling Commission serves as the governing body. For AML/CFT reasons, it monitors land-based and remote casinos, as well as a wide variety of other gambling service providers, including internet casinos (betting, arcades, lotteries, and land based and online gaming).

The United Kingdom is a major giver and taker of international assistance because of its position as a financial hub that is particularly vulnerable to the hazards of money laundering, organised crime, and foreign corruption. Mutual legal assistance (MLA) requests from EU Member States account for the majority of the UK's cooperation with other jurisdictions

(approximately 108 in 2016) (80 percent of incoming requests received by the UKCA in 2016).²⁰ “All MLA and extradition requests in England, Wales, and Northern Ireland are

handled by the Home Office's UK Central Authority (UKCA), which oversees all incoming and departing MLA and extradition requests.” Tax and Customs (HMRC) for MLA requests in England, Wales and Northern Ireland about HMRC responsibilities (generally tax and fiscal customs matters). Extradition requests to Scotland are processed via COPFS (including devolved Scottish tax matters) Northern Ireland's NCA, which handles EAW extradition petitions from England, Wales, and Scotland.

Effectiveness, proportionality and dissuasiveness of sanctions

Effective, appropriate and dissuasive ML punishments are in place. Most convictions result in sentences at the lower end of the range (matching the nature of the offence), but judges and juries have shown that they are prepared to inflict the harshest punishments possible in the most severe and high-end situations. There were two main sources of information for this conclusion: data of ML cases, as well as examples of convictions and penalties for real people. In the absence of ML convictions in this area, it was impossible to judge whether or not legal persons may face meaningful punishment.

Pursuing ML at the national and the local level

Financial investigations into shell firms, financial information gathered by the Joint Money Laundering Intelligence Task Force, and searches of the premises of professional enablers are only some of the investigative actions that have been done.

Investigating an MSB in London accused of collecting drug trafficking revenues from an organised criminal gang was Operation Arylide, a Metropolitan Police investigation. The money was laundered by the money service company and then returned to the criminal

organisation for smuggling out of the United Kingdom. An international co-operation with cash destination nations was also utilised by the Metropolitan Police in their investigation. Nine MSB members were tried and found guilty of a variety of crimes, including money laundering.

The defendants were each given jail terms ranging from three to six years.

Investigating ML in the UK relies heavily on inter-agency cooperation, collaborative investigative teams and embedded police. Financial intelligence and inter-agency coordination are made easier because of the Joint Money Laundering Intelligence Task Force, which is a valuable resource for ML investigators everywhere. The UK actively uses embedded officers and collocating to enhance inter-agency cooperation. CPS

²⁰ Gov.uk, “Using the UKCA Marking”, <https://www.gov.uk/guidance/using-the-ukca-marking>, Accessed 28 March 2022.

attorneys, for example, are integrated in ROCUs and co-located with the NCA in the same building. The NCA is home to HMRC agents. Twenty police forces from throughout Scotland, plus the COPFS, the National Crime Agency (NCA), and HMRC, are represented at the Gartcosh Scottish Crime Campus. There are police from the PSNI, NCA, and HMRC working together to combat organised crime related to paramilitary organisations in Northern Ireland. There is also a Joint Agency Task Force, which includes PSNI, NCA, and HMRC, to combat organised crime in Northern Ireland.

Inter-agency co-operation to identify and investigate ML

Operation Tarlac was an investigation into the defrauding of 21 public bodies, including hospitals, schools and councils, and the subsequent ML of about GBP 12.6 million in proceeds.²¹ False billing and cash withdrawals, as well as dealing in gold, were all part of the ML that followed the first scam. So, a coordinated inquiry was necessitated by this outcome. The Lincolnshire Police began the inquiry after discovering a scam involving a National Health Service Trust in its jurisdiction. The Lincolnshire Police and the NHS worked together to establish the extent of the fraud in Lincolnshire. The police also collaborated with the NCA and other appropriate foreign agencies, including international liaison officers. A total of 15 offenders were charged with fraud and ML, and each got a term of up to 10 years in jail.

III. ANTI- MONEY LAUNDERING REGULATORS IN ENGLAND

England has a number of financial regulators and agencies that work together to combat money laundering and terrorism funding. With the money laundering statute they've decided, these rules attempt to reduce the negative impact on the economy caused by corruption. "Apart from critiquing the AML framework, researchers have also focused on the relation of money laundering with various other fields and its effect on the overall economy." The effect of money laundering and tax havens on each other has been examined by a number of scholars (Dharmapala and Hines, 2009).²⁵ Administrative sanctions are imposed on institutions that violate these regulations' rather rigorous standards. AML vulnerabilities are monitored by the regulator, who then provides firms' AML obligations in accordance with those findings.

Pontes et al., (2021) wrote a study in which he explores prospects for policy and performance improvement for better understand the efficiency of the UK's anti-money laundering (AML) framework.²² Semi-structured interviews and a focus group with practitioners from the public and private sectors were used in this qualitative study. Prevention measures are underfunded by the government; there is a gap between the regulatory requirement and the regulators' supervision method, resulting in the failure of the risk-based approach; and authorities have a limited power to halt low-utility reports. Collaborative efforts across institutions and industries, improved use of new technology and a long-term finance strategy are required to combat

²⁵ Dharmapala, D. and Hines, J. R. (2009), 'Which countries become tax havens?', *Journal of Public Economics*, Vol. 93 No. 9, pp. 1058-1068

money laundering. There is a growing body of evidence suggesting the UK's Anti-Money Laundering (AML) policy is inadequate and requires change. Impacts on people's lives AML practitioners will benefit from the paper by pontes, suggests that how to enhance the system, and researchers will be able to use this study to improve current anti-fraud procedures. To further appreciate the constraints of the AML system in the UK, additional data from AML

practitioners is presented in this research.

The following are some of the AML Regulators in England:

The Financial Conduct Authority (FCA)

An autonomous agency in England, the Financial Conduct Authority (FCA) is in charge of supervising the financial services sector. The FCA is tasked with policing the retail and wholesale financial industries. Investment, e-money and payment institutions; banks; credit firms; asset managers; and building cooperatives are among the FCA institutions. FCA's regulations require implementing Customer Due Diligence (CDD) measures that adopt a riskbased approach.²³ Money laundering and terrorist funding are two examples of financial crimes that may be detected and prevented through regulations. Laundering risk may be minimised by ensuring that all institutions

²¹ <https://www.lincolnshirelive.co.uk/news/local-news/12-people-face-total-34-2236593>, Accessed 10 July 2022.

²² Pontes, Rafael & Lewis, Nick & McFarlane, Paul & Craig, Patrick, 'Anti-money laundering in the United Kingdom: new directions for a more effective regime', (2021). *Journal of Money Laundering Control*. ahead-of-print. 10.1108/JMLC-04-2021-0041.

²³ <https://sanctionscanner.com/knowledge-base/customer-due-diligence-cdd-15>, Accessed 10 July 2022.

in England are complying with their policy and procedure commitments. FCA conducts regular audits to keep tabs on these businesses. Institutional AML controls should be organised according to the size, services, and products of the organisation.

Anti-money laundering legislation in England necessitates the hiring of a manager at institutions. The institutions should also have a Money Laundering Reporting Officer (MLRO) focusing on AML activity.²⁴ AML requirements are also monitored by the MLRO business. They should be aware of your company's money laundering concerns and ensure that adequate

measures are implemented to reduce them. According to FCA rules, risk assessment is the most important aspect in ensuring compliance with AML requirements. There must be a thorough understanding of all procedures by all personnel before they can be completed.

In the United Kingdom, two National Risk Assessments (NRAs) of money laundering (ML) have been released (see HM Treasury 2015 and 2017). The conceptual framework and approach employed in both attempts to identify the hazards associated with ML have limitations. Consideration is given as to whether the technique adopted by the UK NRA may be improved to address these shortcomings and provide more robust conclusions. A composite ML risk indicator was established by analysing threats and vulnerabilities across 43 police regions, drawing on the results of the UK segment of the IARM project (Identifying and Assessing the Risk of Money Laundering in Europe). The results of study by Hopkins and others show that the dangers are largest in the City of London and the Metropolitan Police area, which is primarily explained by the existence of organised criminal organisations, ties to dangerous areas and the intensity of cash in enterprises (Hopkins, Matt & Shelton, Nikki. 2019).²⁵ This research might help future NRAs establish a more comprehensive framework for understanding ML risk and developing more effective preventive policies, even if the conclusions should be taken with care.

HM Revenue and Customs (HMRC)

The tax collection agency of the United Kingdom's government is known as Her Majesty's Revenue and Customs, or simply HMRC. In general, HMRC is in charge of tax collection, border security, and ensuring that companies meet the federally mandated minimum wage. In addition to these duties, HMRC collaborates with FCA to look into allegations of money

laundering. It is the goal of HMRC's financial crime laws to prevent money laundering. Money

laundering is a major concern for HMRC agencies. Verifying the identities of consumers, keeping track of transactions, and appointing a designated employee to manage compliance with anti-money laundering requirements are just a few examples. Suspicious transactions have also made it mandatory for financial institutions in England to report them.

National Crime Agency (NCA)

In England, the National Crime Agency (NCA) is leading the fight against large organised crime. The NCA's most senior officials are on the front lines of law enforcement, pursuing the most dangerous offenders. In addition to destroying the crimes it uncovers, the system also imposes harsh sanctions on everyone involved. The NCA is battling money laundering and terrorism funding as part of a crime. NCA's England too has some money laundering activities and procedures in place. For example, to bring criminal charges against those involved in money laundering, to disrupt their methods, to reclaim and confiscate money laundering assets, and to prevent the United Kingdom from exploiting its financial system.

When it comes to combating money laundering and terrorism funding, NCA works hand in hand with national and international partners. NCA has the ability to track down and apprehend criminals involved in money laundering. As a result, people looking to launder money in England will find it difficult to do so. The NCA's mission is to educate and teach the banking sector on how to spot telltale indicators of money laundering and to devise innovative methods for tracking down offenders.

A lot of attention is paid to the flaws in the financial system today, especially since the sector continues to develop while dealing with growing pains such as money laundering, financial scandals, and the funding of terrorism. Specifically, the goal of research by Al-suwaidi et al., is to look at previous studies and the evolution of our understanding and practise in the field of combating money laundering and terrorism funding (Al-Suwaidi et al.,

²⁴ <https://aml-cft.net/library/money-laundering-reporting-officer-mlro/>, Accessed 10 July 2022.

²⁵ Hopkins, Matt & Shelton, Nikki, 'Identifying Money Laundering Risk in the United Kingdom: Observations from National Risk Assessments and a Proposed Alternative Methodology' . (2019), *European Journal on Criminal Policy and Research*. 25. 10.1007/s10610-018-9390-5.

2020).²⁶ The shortcomings in nations' anti-money laundering and anti-terrorism funding preventative measures are also brought to light, as are suggested future study subjects. "Research on AML and ATF was conducted using a systematic review of previous studies." Findings This study's overall results demonstrate the need for more research in the areas of money laundering prevention as well as legislation and regulation, as well as technology advancements. Contributing to the theoretical advancement in the field of anti-money laundering and counterterrorist financing.

Proceeds of Crime Act (POCA) in England

The Proceeds of Crime Act (POCA) addresses recovering, and freezing assets obtained illegally.²⁷ Through the concealment of funds and other forms of help, POCA hopes to reduce the amount of criminality on the streets. Anti-black money efforts are the primary goal of the legislation. Disguise of illicit property and conversion of criminal property are illegal in England under the 2002 POCA. In addition, all institutions subject to legal control should create a suspicious report for money laundering operations.

Money laundering officers at banks and other financial institutions are required by law to report any suspicious activity. As a result, this institution and the individual might face criminal charges, which could result in jail time. At the same time, POCA stressed the need of AML Compliance Program procedures such as Know Your Customer (KYC), Customer Due Diligence (CDD), and Transaction Monitoring. By putting in place these protocols, institutions may better identify individuals and actions that are cause for concern.

Next, we'll look at how courts in England and Wales have defined criminal property for purposes of money laundering charges covered under a 2002 law known as 'the Proceeds of Crime Act' (POCA). For this purpose, we have talked about study of Hamin and others, in which documentary legal analysis and secondary data are used to examine the main source of POCA, as well as other sources such as case law and scholarly papers. It is argued that money laundering charges under the POCA statute have been dynamically interpreted by the UK courts in order to offer much-needed stability to the law, notwithstanding judicial activism in the formation of criminal property. Those who work in the field of criminal justice, academics, policymakers, and students might benefit from this study (Hamin et al., 2014).²⁸

The Fifth Anti Money Laundering Directive (5AMLD) for the England

The Fifth Anti-Money Laundering Directive (5AMLD) entered into force on 10 January 2020 for the EU Member States.²⁹ This rule will be carried out even if England departed the EU this year. Money laundering and terrorist funding may be prevented by 5AMLD amendments to the Fourth Money Laundering Directive (4AMLD). According to 5AMLD, it is necessary to conduct 'strict Client Due Diligence (CDD) steps' before establishing a commercial connection with a new customer. All companies that find discrepancies between the information a client provides and the information that is registered as beneficial property should notify the appropriate authorities. 5AMLD also mandates the opening of trust records to the public and the inclusion of all trusts, not only those with tax implications, in the scope of the law. Anti-Money Laundering and Counter-Terrorism Financing (AML/CTF) in England is expected to confront these crimes and manage the obligations placed on companies by the government.

The goal of the paper by Mugarura, Norman is to examine the legislation pertaining to EU Anti-Money Laundering Directives (AML) and the impact of Brexit on UK and EU money laundering laws. The first section of the study examines the AML Directives and the manner in which they are implemented in Great Britain. The future of the UK-EU relationship will have a major impact on whether or not the fourth AML directive and other directives about to become legislation in the UK are implemented or deleted. This means that the United Kingdom

²⁶ Al-Suwaidi, Noura & Nobanee, Haitham, 'Anti-money laundering and anti-terrorism financing: a survey of the existing literature and a future research agenda', (2020). Journal of Money Laundering Control. ahead-of-print. 10.1108/JMLC-03-2020-0029.

²⁷ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/317904/Fact_Sheet_-_Overview_of_POCA_2_.pdf, Accessed 10 July 2022.

²⁸ Hamin, Zaiton & Rosalili, Wan & Omar, Normah & Mahmud, Awang, 'Configuring criminal proceeds in money laundering cases in the UK', (2014). Journal of Money Laundering Control. 17. 374-384. 10.1108/JMLC11-2013-0047.

²⁹ <https://www.swift.com/your-needs/financial-crime-cyber-security/anti-money-laundering-aml/5thaml-directive-5amld>, Accessed 10 July 2022.

will be able to make its own judgments about which laws will be implemented and which will be scrapped or culled. To be clear, Brexit does not mean that Britain will be free of EU antimoney rules, especially if it decides to stay in the EU single market. Additionally, the UK might form alliances with other EU members and be obliged to adhere to the same EU market regulations as its other EU partners. This was the fourth AML regulation that was scheduled to come into effect in June 2017 in all EU member states. According to the conclusions of the report, the UK government has not yet ratified Article 50 of the Lisbon Treaty on the EU's workings. It is possible that the fourth AML regulation, which was supposed to come into effect in the UK on June 26, 2016, might still be implemented or discarded depending on the model the UK chooses to use in its relationship with the EU in the future. Even if the UK leaves the EU single market, it may be able to keep some of the money laundering regulations and predicate offences it has implemented. In this setting, there were few academic articles discussing Brexit. Brexit and its impact on UK money laundering rules cannot be compared since other nations that have left the EU have not done so. Relevance in the real world Money laundering and associated predicate offences will be more difficult to prevent in the UK and EU if the UK leaves the EU as a result of Brexit. Impacts on people's lives The Brexit has sparked policy discussions and debates on a wide range of regulatory concerns, not the least of which is how to combat money laundering in a post-Brexit world. Markets, people, and governments all around the EU and beyond will be impacted by Brexit. It has already thrown the UK and the EU's economies into disarray. Research on money laundering legislation in countries who are no longer linked to regional market efforts may benefit from a report like this one. Originality/value This study sheds light on how Brexit would affect AML regulations in the UK and the EU in the immediate aftermath of Brexit. The UK should remain a part of the European single market in order to minimise the social-economic impact of Brexit on financial markets regulation, as well as to preserve financial markets from going downhill!

(Mugarura, 2017)³⁰.

Compliance with English Money Laundering Law

Our discussion of money laundering and terrorist funding in the United Kingdom indicated that authorities have enacted rules, and that many companies are now subject to regulation. Criminal procedures are started by the appropriate authorities if the organisations in question fail to comply with or delay complying with these requirements. "If the offence is serious enough, the penalty may range from fines to up to 14 years in jail." In order to comply with these rules, regulated institutions must also use a risk-based strategy. AML Compliance Programs should be tailored to each institution's specific risk assessment and mitigation processes.

Customer due diligence (CDD) processes should be followed by organisations when interacting with new clients or organisations. These individuals should be subjected to screening for negative media coverage, exposure as politically exposed persons (PEPs), and possible sanctions. Thus, they can evaluate the risks of the people they do business with and take action steps accordingly. Periodic repetition of CDD procedures is recommended. Institutions should also keep track of consumers' transactions to ensure they are adhering to AML Transaction Monitoring policies. Any transaction that seems suspicious is flagged by Transaction Monitoring, and the institution is alerted. A Suspicious Activity Report (SAR) should be prepared by a Money Laundering Reporting Officer (MLRO) and submitted to the

National Crime Agency when suspicious circumstances arise (NCA). In addition, banks should put in place an AML staff training programme and keep them up to date on regulatory changes.

Sanction Scanner's AML Solutions for The England

Anti-Money Laundering Compliance solutions from Sanction Scanner are available to all kinds of businesses in England, big and small. Compliance with the AML Compliance Program established by authorities may be simply achieved with the use of our AML solutions. Organizations may automate AML checks in a matter of seconds thanks to API support. Lists such as worldwide sanctions, PEP, and adverse media, all of which are included in Sanction Scanner, make it simple to locate anyone on these lists. As a result of our software, we have a database that is always being updated. The anti-money laundering legislation may be readily complied with by businesses. Policymakers and law enforcement have been concerned about money laundering for more than three decades, and major efforts have been made at the national and international levels to counteract it. Policymakers are increasingly concerned about the use of real estate as a means of laundering illegal money. "Numerous initiatives to combat money laundering in the UK property market are now being done, however there are still major obstacles in implementing it effectively." Semi-structured interviews with estate agents and compliance

³⁰ Mugarura, Norman, "The implications of BREXIT for UK Anti-Money Laundering regulations: will the Fourth AML Directive be implemented or be binned?", (2017). *Journal of Money Laundering Control*. 21. 00-00. 10.1108/JMLC-07-2016-0032.

authorities were used to uncover the most challenging components of adhering to AML regulations. New perspectives on AML duties in reality are provided by the paper written by Zavoli, Ilaria & King, Colin, which analyses data from the first empirical investigation on how AML obligations have been implemented in practise since the 2017 Money Laundering Regulations were implemented (Zavoli and King, 2020).³¹

As much as money laundering is spoken about, very little has been done to determine the scope of the issue. Money laundering is notoriously difficult to quantify. Regulators, however, have a presumption that the sums involved are enormous, and that this poses a serious danger to both the financial system and to the image of domestic financial institutions. The study by Harvey Jackie examines the validity of the 'second best' metrics of efficacy, which the author feels are problematic because of the present emphasis of money laundering laws on financial sector compliance. A "virtuous circle of compliance" is also examined in a preliminary investigation of the link between money laundering and reputation. With the use of pilot questionnaires and interviews with financial institutions, the author was able to draw on a wealth of statistical data provided by the UK (Harvey, 2008).³²

IV. INSUFFICIENCY OF MONEY LAUNDERING LAW IN ENGLAND

Stokes (2012)³³ presented an analysis of the ML risks of two virtual currencies, the Linden dollar and bitcoin; this article had three specific objectives: (i) to describe and critically evaluated the ML vulnerabilities of two new virtual currencies; (ii) to verify that the current AML regulation extends to virtual currencies; and (iii) to critically analyze how these virtual currencies can be regulated and integrated into the UK AML regime.

Casework Handling

Demetis presented a longitudinal interpretive case study of a UK bank's efforts to combat ML.³⁸ The authors made use of structural coupling, taken from systems theory, to reflect on the bank's approach to theorizing the ML combat profile; through improvements in ML detection, they explored ML detection challenges within a real organizational context, extracting evaluation metrics for AML that can help critical decision-makers.

Proving Proceeds are the Benefit from Criminal Conduct

The underlying criminal activity will be proven as part of the proceedings if money laundering charges are included on the same indictment as the underlying offences. This should also give sufficient evidence to support the prosecution's case for money laundering.

There are two techniques to prove criminal property in money laundering cases that are 'standalone.'

- by proving the type of offending that gave rise to the criminal property, or
- by relying on evidence that the circumstances in which the property was handled were such as to give rise to an '...irresistible inference that it could only have been derived from crime' (R v Anwoir [2008] EWCA Crim 1354).³⁴

So, in essence, according to Anwoir, prosecutors are not obliged to establish that an item in issue was acquired as a result of illegal activity, since this may severely constrain how laws are enforced. There must be 'irresistible inferences' that the property in issue has a criminal history, according to the criminal standard, at the very least from circumstantial evidence or other proof.

So, the only possible explanation for the current situation is that it involves illegal activity.

Typically, evidence of the criminal origin of proceeds may be established by:

³¹ Zavoli, Ilaria & King, Colin, 'The Challenges of Implementing Anti-Money Laundering Regulation: An Empirical Analysis', (2020), *Modern Law Review*. 84. 10.1111/1468-2230.12628.'

³² Harvey, Jackie, 'Just How Effective is Money Laundering Legislation?', (2008). *Security Journal*. 21. 189-211. 10.1057/palgrave.sj.8350054.

³³ Stokes, R. (2012). Virtual money laundering: The case of bitcoin and the Linden dollar. *Information & Communications Technology Law*, 21(3), 221–236. <https://doi.org/10.1080/13600834.2012.744225> ³⁸ Demetis, D. S. (2018). Fighting money laundering with technology: A case study of bank X in the UK. *Decision Support Systems*, 105, 96–107. <https://doi.org/10.1016/j.dss.2017.11.005>

³⁴ [2008] EWCA Crim 1354 IN THE SUPREME COURT OF JUDICATURE COURT OF APPEAL (CRIMINAL DIVISION)

- The unlikelihood of the property being of legitimate origin. Where the prosecution proves D has no legitimate explanation for possessing the property in question a jury may be willing to draw an inference that it is proceeds of crime (for example if a large amount of cash is found in the home of someone with no visible means of support);
 - Complex audit trails;
 - Analysis of business accounts or audit records to show excessive or unexplained transactions or profits;
-
- Circumstantial evidence. This could be social media entries demonstrating a lavish lifestyle which is not supported by legitimate income, or there could be messages and / or pictures stored on digital devices indicating the individual is in possession of high value items (e.g. cars) which are not supported by legitimate income;
 - Accomplice evidence (for example evidence provided by criminal associates usually as part of an assisting offender agreement)³⁵;
 - Bad character evidence. This would only be part of the evidential picture and would need to be supported but other evidence.
 - Large amounts of cash concealed in property and vehicles.
Concealing Criminal Property Etc.

The actus reus of the offence under section 327 is:

- Concealing criminal property;
 - Disguising criminal property;
 - Converting criminal property;
 - Transferring criminal property;
 - Removing criminal property from England and Wales or from Scotland or from Northern Ireland.³⁶
- All, some, or just one of the aforementioned activities may be performed on the same piece of property.

Under this clause, a person guilty of an offence is subject to a maximum sentence of 14 years in prison, or both. According to Section 327(3), hiding or disguising illicit property is defined as obfuscating its origin, source of origination, location of location of movement of movement and ownership of any rights with regard to the property.
Arrangements

Section 328 states that 'a person commits an offence if he enters into or becomes concerned in an arrangement which he knows or suspects facilitates (by whatever means) the acquisition, retention, use or control of criminal property by or on behalf of another person.'³⁷

People who launder on behalf of others may be charged with this offence, which covers a broad variety of activities, most often at the layering and integration phases. Financial institutions, accountants, and other professionals might be caught facilitating money laundering while they are doing their jobs. This can include legal advisors however, it was held in *Bowman & Fels [2005] EWCA Civ 226*, that section 328 does not cover or affect the ordinary conduct of litigation.⁴³

The prosecution has to prove that:

- The defendant enters into or becomes concerned in an arrangement;
 - Which he knows or suspects facilitates (by whatever means) the acquisition, retention, use or control;
 - Of criminal property;
-
- By or on behalf of another person.

³⁵ <https://www.cps.gov.uk/node/5866/>, Accessed 1 August 2022.

³⁶ <https://www.legislation.gov.uk/ukpga/2002/29/section/327>, Accessed 1 August 2022.

³⁷ <https://www.legislation.gov.uk/ukpga/2002/29/section/328>, Accessed 1 August 2022. ⁴³
Bowman v Fels [2005] EWCA Civ 226 (08 March 2005)

This offence does not cover the making of arrangements by an individual where that individual is the beneficiary of the arrangement.

The laundered assets need not belong to the accused individual.

The offence is either way and carries the same maximum penalty as offences under section 327.

Express Limitations to Concealing Criminal Property Etc. or Arrangements

There are clear constraints on the severity of these offences under POCA. A person is not guilty of an offence if he makes a "authorised disclosure" to a law enforcement officer, a customs officer, or a nominated official prior to engaging in the prohibited conduct, provided that the revelation is made before he engages in the forbidden act. As outlined in section 338, this includes reporting suspicious activity (SAR) to law enforcement and to the company's

appointed officials.³⁸ The defence also applies to those who intended to make such a disclosure but had a reasonable excuse for not doing so.

Additionally, Section 327(2)(c) exempts activities done when enforcing any POCA or other statute pertaining to criminal activity or the profit from such illegal conduct. Criminal property may often be seized and transferred to an interest-bearing account awaiting further investigation by the police or other law enforcement agencies.

Also, under section 327(2A) and 328(3), a person is not guilty of an offence if he or she knows, or has reasonable grounds to believe, that the relevant criminal conduct took place outside of the UK, the criminal conduct was not unlawful in that country or territory, and criminal conduct

is not prohibited by the Proceeds of Crime Act 2002 (Money Laundering: 'Exceptions to Overseas Conduct Defence) Order 2006." As a matter of statutory construction, the case of *Hogan v DPP* [2007] EWHC 978 (Admin) confirmed that these express limitations do not operate as defences.³⁹ The prosecution will have to establish that the restriction does not apply to the normal criminal standard after the question has been raised by the evidence. Although this judgement focused on the interpretation of s329 of POCA, the rationale is equally relevant to these crimes.

Where Money Laundering Planned or Undertaken can be Proved

Under section 330 the prosecution has to prove the person:

! Knows or suspects, or has reasonable grounds for knowing or suspecting, that another person is engaged in money laundering; and

! The information or other matter on which this knowledge or suspicion is based, or which gives reasonable grounds for such knowledge or suspicion, came to the person in the course of a business in the regulated sector; and

! Can identify the other person mentioned or the whereabouts of any of the laundered property, or he believes, or it is reasonable to expect him to believe, that the information or other matter mentioned will or may assist in identifying that other person or the whereabouts of any of the laundered property; and

! Fails to disclose this information or other matter to nominated or authorised persons as soon as practicable.

Prosecutors may use evidence of planning or undertaking to show that a person was aware that someone else was engaging in money laundering. The prosecution will have to prove that the suspect suspected or had reasonable grounds for suspicion of money laundering if there is no proof of it being laundered or planned.

Where Money Laundering Cannot be Proven

Previously, the CPS did not file charges under Section 330 where there was insufficient evidence to prove that money laundering was planned or carried out.

Lord Goldsmith QC, the former Attorney General, said that "The Concern that the negligence offence is unfair overlooks the fact that the offence under Clause 330 of failing to report to the authorities is permitted only if the prosecution proves that money laundering was planned and undertaken."

In other words, Lord Goldsmith's comments cannot be construed to constitute a binding pledge by prosecutors on how to apply section 332. It's a question of statutory interpretation here. This

³⁸ <https://www.legislation.gov.uk/ukpga/2002/29/section/338>, Accessed 1 August 2022.

³⁹ <https://www.lccsa.org.uk/hogan-v-director-of-public-prosecutions-2007/>, Accessed 1 August 2022.

can be seen in the case of *Ahmad v HM Advocate* [2009] H CJAC 60⁴⁰, in which the High Court of Justiciary in Scotland, distinguishing *R v Montila* [2004] 1 WLR 3141⁴¹, ruled that there is nothing in the language of section 330(2) that required money laundering to be taking place.

Consequently, a person may be charged under section 330 even if there is insufficient evidence to prove that money laundering was intended or occurred. As a result, Section 330 mandates that suspicions of money laundering be reported to law enforcement, regardless of whether the accusations are true. An offence is committed regardless of whether the money laundering can

be confirmed to have occurred or not, as long as the regulated sector has received information

giving rise to a suspicion or providing reasonable grounds for believing that someone is involved in money laundering.

Only after the implementation date of this guideline, which is the 2nd of June 2021, should prosecutors pursue s.330 charges on their own. As a result, this strategy will not be retroactive. In these cases, the prosecution has to prove the individual:

! suspects, or has reasonable grounds for suspecting, that another person is engaged in money laundering; and

! the information or other matter on which this suspicion is based, or which gives reasonable grounds for such suspicion, came to the individual in the course of a business in the regulated sector; and

! can identify the other person mentioned or the whereabouts of any of the laundered property, or he believes, or it is reasonable to expect him to believe, that the information or other matter mentioned will or may assist in identifying that other person or the whereabouts of any of the laundered property; and

! fails to disclose this information or other matter to a nominated or authorised persons as soon as practicable.

Prosecutors considering a charge on this basis should refer the case to the Specialist Fraud Division in line with the Referral of Cases-legal guidance.⁴²

V. CONCLUSION

Money laundering has become a big issue in the United Kingdom. "Bank secrecy rules and poor anti-money laundering regulations make foreign jurisdictions attractive to criminals who use local and international financial institutions to move illegal monies." With such ease and breadth, illicit profits may be stabilised while also corrupting those who operate inside the market system. Additionally, criminals' entry into the mainstream market might sway the balance of economic power away from responsible and responsive organisations to rogue actors who have no political or social responsibility. In other words, the international market might become unstable, leaving certain nations open to influence and meddling by corrupt organisations when criminal companies are able to reap the benefits of their illicit operations.

A systematic overview of research on ML detection techniques and their applications was provided. It provides an overarching theory of how ML identifies objects and how those objects are detected. The compilation of these studies allows for the formulation of a broad hypothesis about how different scholars have approached the task of ML identification. It develops in a way that adds to the existing body of literature on the topic, laying the groundwork for future research that might build on this paradigm or perhaps point in new, as-yet-undiscovered directions. To add, the overarching idea of AML models simplifies the grasp of the fundamentals of these problems.

Money laundering is a worldwide issue, and it must be addressed by the international community. It is impossible to stop money laundering unless international collaboration is in place. A team of professionals, such as chartered accountants, lawyers, and bankers' mafia, is used by criminals to hide their unlawful funds and present them as legitimate revenue. These professionals charge a fee of 10% to 15% of the total amount. It's impossible to rule out the existence of a link between politicians, law enforcement, and organised crime. As the most important players, bankers are essential to making the business a reality. Slush money have become more difficult to track due to the development of new high-tech and the use of wire transfers. There must be international law enforcement cooperation in order to effectively investigate and punish people who are involved in money laundering schemes because of their transnational character. It is imperative that money laundering be combated

⁴⁰ <https://www.scotcourts.gov.uk/search-judgments/judgment?id=f69a8aa6-8980-69d2-b500ff0000d74aa7>, Accessed 1 August 2022.

⁴¹ <https://www.casemine.com/judgement/uk/5a8ff70060d03e7f57ea5810>, Accessed 1 August 2022.

⁴² <https://www.cps.gov.uk/legal-guidance/referral-cases>, Accessed 1 August 2022.

primarily via criminal law enforcement and international collaboration. In the end, remember that just passing anti-money laundering legislation isn't enough; the law enforcement community must keep up with the continuously evolving dynamics of money launderers who continually develop creative tactics that allow them to escape the reach of the laws.

In terms of what this study lacks, we note that there are currently very few ML detection models that can be considered general-purpose. Moreover, experts from outside of academia need to delve into the overarching framework given by this research and verify its accuracy. Additional study with the use of other keyword phrases is recommended for the future. Since this is a common practice in many nations, it's important to find new ways of thinking about ML that build on the same foundation.

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