

### Term of the Month

#### Unusual Transaction

Transaction that appears designed to circumvent reporting requirements, is inconsistent with the account's transaction patterns or deviates from the activity expected for that type of account.

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### News Update

IntelleWings, in collaboration with Avani, a representative from the Indian Ministry of Economy (MOE) serving as an advisory specialist, formed a partnership for the Customer Risk Assessment (CRA) event on April 5th, 2023 in India. The event witnessed an audience of 50+ participants. During the event, the speaker shed light on the crucial topic of monitoring customer activities and changes in their risk profiles. Furthermore, the discussion revolved around the significance of onboarding customers without preconceived notions and ensuring their restoration. The speaker emphasized the importance of assessing the risks involved and the effectiveness of risk mitigation strategies employed.

## News from the **AML world**

### [UAE issues more than Dh115 million in fines in Q1 of 2023 to combat money laundering](#)

The UAE issued fines of more than Dh115 million (\$31.3 million) in the first quarter of the year to combat money laundering. This is a sharp increase from the Dh76 million issued last year. News agency Wam has reported 161 fines were handed out to 76 entities in the first three months of 2023. Confiscations have also increased, with frozen assets surpassing a value of Dh925 million seized from November 2022 to February 2023.

### [Details of the EU's proposed 11th package of Russia sanctions announced](#)

The EU's 11th package of Russia sanctions, announced by European Commission President Ursula von der Leyen, includes transit bans on additional products, a tool to combat sanctions circumvention, and a ban on 'shadow' entities intentionally evading EU sanctions.

### [UAE needs time to show effectiveness to exit financial crime grey list: official](#)

The UAE economy minister says the country needs time to prove its policies' effectiveness against financial crime before being removed from the FATF's 'grey' list. Significant progress has been made, including better collaboration with other countries. When the FATF visits, the minister is confident the country will be removed from the FATF's 'grey' list.

### [India: Anti-Money Laundering Rules for Indian Crypto Firms To Be Formalised Soon](#)

Crypto service providers should “examine, as far as reasonably possible, the background and purpose of all complex, unusually large transactions, and all unusual patterns of transactions, which have no apparent economic or lawful purpose”, the Economic Times reported citing the draft document.

### [UAE records strong progress in combatting money laundering, terrorist financing](#)

Hamid Al Zaabi, Director-General of the Executive Office for AML and CFT, has announced that the UAE has made significant progress in combating money laundering and terrorist financing in the past year. The FATF recently commended the country's progress during its latest meeting. The Executive Office is working closely with the FATF to implement the UAE Action Plan and remains fully committed to achieving all objectives outlined in the plan.

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## [FATF: Consolidated assessment ratings](#)

The Financial Action Task Force (FATF) unites 205 jurisdictions through its nine FATF-Style Regional Bodies (FSRBs), committed at the highest political level to implementing FATF Recommendations. Ongoing peer reviews by FATF and FSRBs evaluate members' practical effectiveness and technical compliance in AML/CFT measures. The attached link provides an up-to-date overview of review ratings for effectiveness and technical compliance, along with detailed mutual evaluation reports.

## [Australia: Recent updates to anti-money laundering laws in NSW](#)

The Bill aims to prevent and disrupt organised and serious crime by amending the Crimes Act 1900 and the Criminal Procedure Act 1986. The changes to be made to the state legislatures are in line with those made to federal money laundering via the Crimes Legislation Amendment (Economic Disruption) Bill 2020.

## [The UK's Introduction of A New "Failure To Prevent Fraud" Offence Edges Closer](#)

In our alert called "Criminal Investigations in the UK: What to Watch for the UK and the EU in 2023", we predicted the introduction of a new "failure to prevent" offence. We predicted that such a new offence would likely have far-reaching, and potentially seismic, consequences on organizations both (i) in having to ensure that the procedures that they have in place to prevent fraud are reasonable, but also (ii) on the (higher) success rate of law enforcement to prosecute a large organization if an employee commits fraud for the organization's benefit.

## [Crypto Regulation: U.S. Treasury Statement On DeFi Emphasizes Anti-Money Laundering Rules](#)

Discussing myriad illicit finance challenges such as scams, ransomware, hacks, and money laundering. The Treasury clarifies that the assessment does not “establish new supervisory expectations,” the report advances the view that even truly (and somewhat) decentralized services should implement anti-money laundering compliance under the Bank Secrecy Act – the U.S. AML regime. The BSA requires covered financial institutions to keep records, file reports of transactions, and to report suspicious activity that might signify money laundering, tax evasion, or other criminal activities. Actively implementing traditional AML compliance is, in some respects, at odds with the potential of DeFi – that is, the reliance on disintermediated software rather than teams of compliance officers.

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## UK: Money Laundering In The UK Art Market: Key Risks, AML Rules

One of the most significant AML challenges is an expectation from art sales customers of privacy and discretion. Globally, regulatory frameworks do not always require AMPs to undertake due diligence on their customers. In some cases, even customer identification information need not be collected, meaning that criminals can easily convert illicit cash into art, and then resell to launder money. FATF highlights that while some jurisdictions have assessed money laundering and terrorist financing risks in their domestic art markets, these risk assessments have reached varied conclusions, and they are still relatively few.

## One step closer towards a new EU AML/CFT regime

Until now, the European Union has laid down its AML requirements solely in the form of a Directive, leading to a minimum standard but also different standards across the European Union. Under the new regime, the EU plans to lay down its requirements to be fulfilled by 'obliged entities' in a directly applicable Regulation. Apart from a few discrepancies, the Parliament's position on the AMLR seems to be very much in line with the stand taken by the Council. However, based on the published compromise proposals, it seems very likely that the upcoming discussion is in the trilogues.

## **Regulatory Information from the AML world**

### EU Parliament Approves AML/CFT Rules For Crypto Industry

The European Parliament approves a stricter legislative package to combat money laundering, terrorist financing, and sanctions evasion in the EU. It includes bringing crypto-asset service providers under AML regulations with customer due diligence, transaction monitoring, and suspicious activity reporting requirements. An anonymous crypto transaction limit of €1,000 is also proposed.

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## Meeting of FATF-Virtual Assets Contact Group

The Virtual Assets Contact group brought together officials from 19 jurisdictions and international organisations and 80 industry representatives from virtual assets service providers, blockchain analytics companies, industry bodies and financial institutions. They discussed progress on implementing the FATF Standards on virtual assets (including the ‘travel rule’), challenges for effective implementation of the FATFs requirements for this sector, and emerging risks and threats. The discussions from the meeting will feed into the 2023 FATF targeted update on global implementation of the FATF Standards (including the ‘travel rule’) and responses to emerging risks like decentralised financing (DeFi) and peer-to-peer transactions. The FATF expects to finalise the report in June 2023.

## EU drafts crypto transfer rules to fight money laundering

The European Union intends to introduce legislation to trace and identify crypto asset transfers, as part of a wider anti-money laundering push. Members of the European Parliament (MEP) have adopted draft legislation strengthening EU rules against money laundering and terrorist financing with MEPs set to negotiate the final shape of the legislation with EU governments.

## FATF Joint Experts’ Meeting and FATF/UNODC Joint Workshop on Hawala

The FATF global network gathered at the FATF Joint Experts Meeting 2023 in New Delhi to discuss new or emerging money laundering and terrorist financing risks and ways to address them. During the three-day event, hosted by the Indian Ministry of Finance, Department of Revenue, experts exchanged insights on money laundering and terrorist financing risks including cyber-enabled fraud, the misuse of citizenship and residency investment programs and terrorist financing through crowdfunding. They also discussed emerging terrorist financing risks, challenges faced by law enforcement authorities investigating and prosecuting money laundering and good practices and methods to tackle them.

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