

## **Latest Developments in Trade Based Money Laundering**

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### Summary

- Los Angeles Area GTO “Takeaways”
- Heightened Examination Standards
- Florida Banks – BSA / AML & Panama Papers
- Florida Banks – Key TBML Issues
- Keys to Success

# Examination Scrutiny

## Los Angeles GTO “Takeaways”

- GTO is a “Facelift” For BSA / AML Requirements
- Regulatory / Heightened Expectations / Requirements
- Examples in the Los Angeles Area
  - Large Regional Banks
  - Foreign Bank Subsidiary with International Focus
- Representative Issues: Change of Address, Surnames, Change of Jurisdiction, and Patterns of Behavior

## Heightened Examination Standards

- Independence
- Expertise
- Tailor the Four Pillars of BSA / AML Risk Management  
To Bank's Risk Profile
- Technology: Data Expectations
- People, Processes and Technology
- Audit Expectations
- Culture of Compliance

## Florida Banks BSA / AML & Panama Papers

- Knowing Your Customer's Customer
- Panama Papers - Implications
- EDD
- Background Checks
- Documentation
- Working Across Jurisdictions

# Florida Banks

## Key Trade Based Anti-Money Laundering Issues

- Does Something Look Unusual, Odd or Different Regarding the Transaction?
- Money Laundering Through Value Transfer
- Economic Sectors / Higher Risk Goods or Industries
- Inconsistent Goods / Services
- Higher Risk Jurisdictions / Non-Cooperative Countries
- Obvious Over / Under Pricing
- Obvious Misrepresentation of Quantity / Type of Goods
- Unnecessarily Complex Structures
- Payment to Unrelated Third Party
- Shipment Location or Goods Inconsistent with LC
- Significantly Amended LCs

# Florida Banks Keys to Success

- Give Context to the TBML Red Flags
- Gather Meaningful 'Actionable' Due Diligence
- Make Item Readily Available for Comparison to Transaction Details
- Reward and Share Escalation Events
- Culture of Compliance!
- Thank you!