

Money Laundering

Money laundering is a criminal activity that includes the act of hiding assets to avoid any possible discovery of the illegal activities that created them (Harrison and Ryder, 2017). Consequently, it has now become a familiar criminal activity.

(1) Identify the Appropriate Law and Offences Committed Through the Act

The United Kingdom applies some of the most developed and strict laws and regulations on money laundering, fraud, and terrorist financing across the globe. The United Kingdom (UK) has broadly defined money laundering offences, which involve any form of criminal approach and can be committed simply by possessing illegal property and knowing or suspecting that it represents the proceeds of crime (Norton 2018). The UK has laws and regulations that govern all sectors and professionals, such as lawyers, financial institutions, and accountants, with criminal sanctions and extensive reporting requirements in case of any breach.

Prosecutors and investigators who are concerned with money laundering offences have extensive powers and are supported by many international cooperation agreements.

The relevant laws that are used to fight money laundering include the Fraud Act 2006, the Proceeds of Crime Act 2002, and the Terrorism Act 2000 (Aurasu & Rahman 2018). According to the Terrorism Act 2000, acts of terrorism include acts of individuals in connection with, or on behalf of, any organizations that carry out activities directed toward influencing or overthrowing the UK government (Harrison and Ryder 2016). All UK citizens are prohibited from supporting such groups financially. According to the Fraud Act 2006, fraud is categorized into three types,

including fraud by false representation, fraud by abuse of position, and fraud by failing to disclose information (Gilmour 2016). As such, a person who gives false information or any lawyer who represents a person accused of owning false property can be charged with money laundering under the Fraud Act 2006.

The main purpose of the Proceeds of Crime Act 2002 is to ensure the maintenance of a sound society by regulating all activities that disguise the acquisition of criminal proceeds linked to crimes, such as concealing criminal proceeds for the purpose of encouraging crime or presenting assets as legitimately acquired. Another offence under this law is concealing or transferring proceeds to avoid confiscation or prosecution.

(2) Explain the Safety Measures to Be Adopted by Professionals to Discourage Them From Taking Part in Money Laundering

The United Kingdom's financial system faces high risks of being used to launder significant amounts of corrupt money through various professional enablers in the property and legal professions (Hopton 2016). According to the UK national risk assessment of terrorist financing and money laundering, the banking system, legal services, and accountancy sectors are at a high risk of exposure to handling corrupt money (Alexander 2016). Professionals need to understand that the same factors that make the UK an attractive place for doing business, including political stability, advanced legal systems, better professional services, and a widely understood language, are the same reasons that attract proceeds of crime, such as laundering (Hopkins & Shelton 2018).

Measures professionals may take to safeguard themselves against money laundering include the following.

First, during transactions, a professional should ask a lot of questions to establish whether the source of money is legitimate or whether the business proposal sends alerts about possible money laundering (Hopton, 2016). Secondly, professionals should learn about money laundering schemes and keep themselves updated. Criminals will always develop new tactics, such as falsifying invoices, wire transfers, conversion of cash to financial instruments, online auctions, and over-billing. Professionals such as lawyers representing businesses must ensure that their clients are acquiring money legitimately.

Thirdly, professionals should do due diligence. Before representing a person in court or doing business with them, it is advisable to thoroughly investigate their financial transactions (Ryder 2015). Fourthly, professionals should also apply the formal policies that are established by the government and firms. Such policies include company instructions on specific actions, such as accounting and cash-handling procedures. Lastly, every professional should maintain their privacy. Most professionals in positions of power easily become targets of money launderers once criminals access their personal information, especially health-related information.

Reference List

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