



Combating Financial Crime

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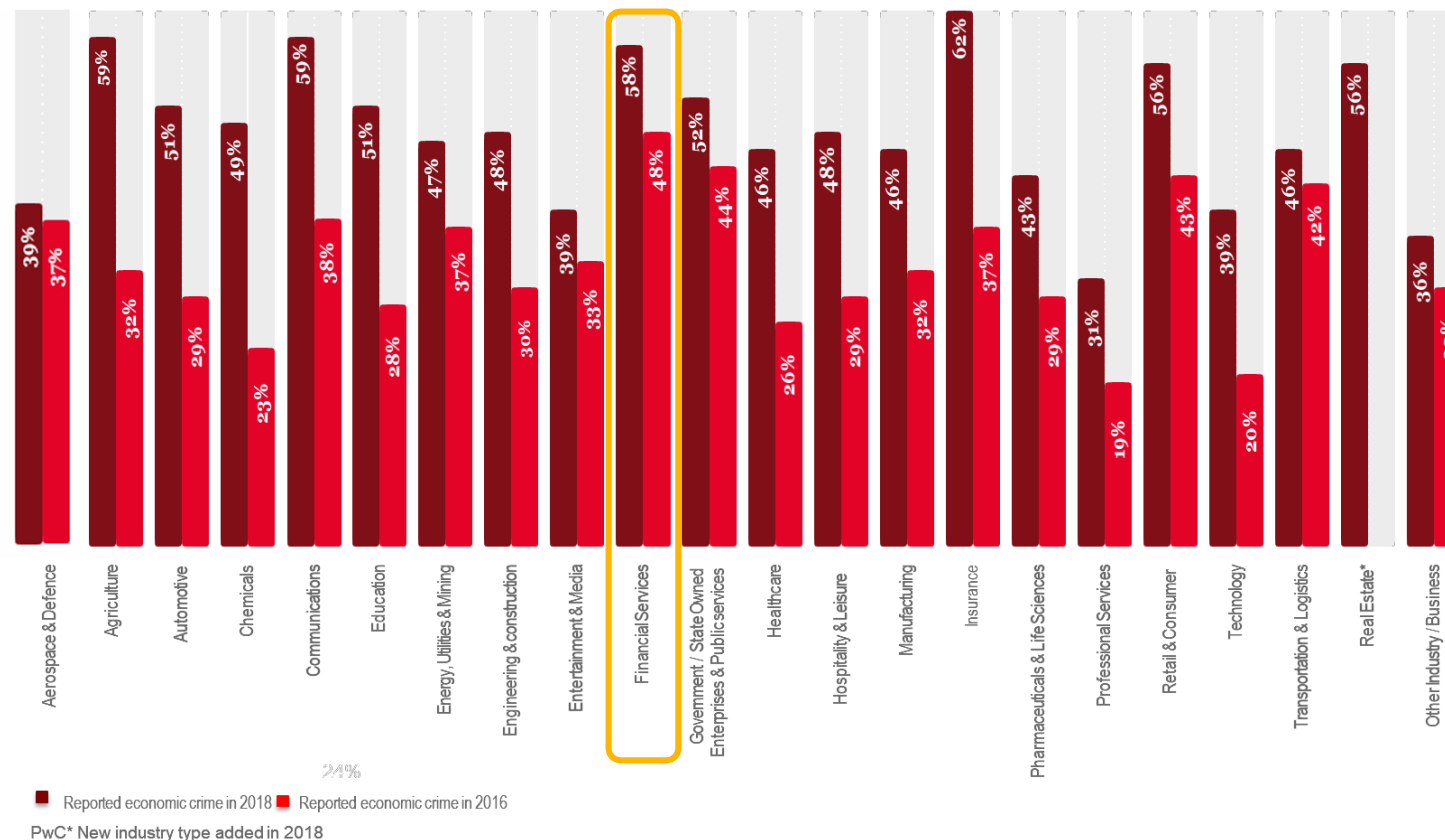
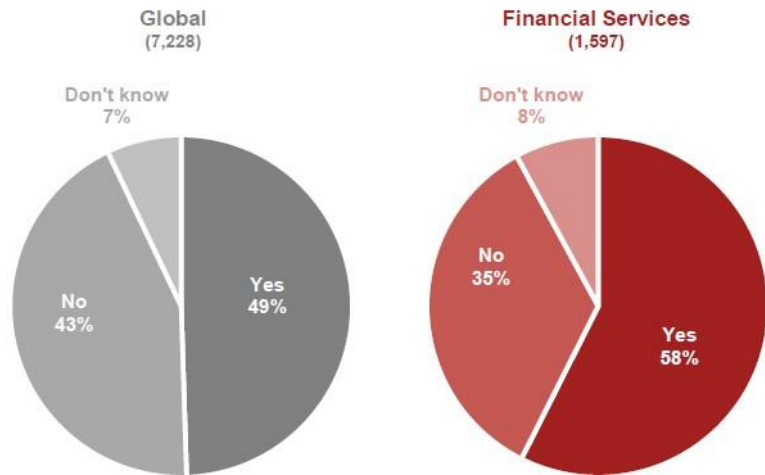
Global Economic Crime Survey

PwC's Global Economic Crime Survey 2018

Crime in the Financial Services Sector

Fraud and economic crime experienced

Has your organization experienced any fraud and/or economic crime in your country within the last 24 months?



PwC's Global Economic Crime Survey in its 9th edition – nearly two decades of conducting primary research.
7,200 respondents across 123 countries

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Relevance to Small
Jurisdictions

Financial Crime is Everywhere

... And it comes in many forms



KYC Framework (incl. CDD/EDD, Third Party Due Diligence, KYE etc.)

Data & Technology
Data Analytics – E-Discovery – Forensic Technology

Current enforcement issues in small jurisdictions

Targeting smaller jurisdictions with a “reputation for financial sleaze”*



FinCEN Takes Action to Protect U.S. Financial System

20140716.pdf 249.77 KB

Contact: Contact: Steve Hudak (703) 905-3770

Immediate Release: July 17, 2014

Section 311 action against FBME Bank protects the U.S. financial system from a foreign bank facilitating illicit activity

Source: <https://www.fincen.gov/news/news-releases/fincen-takes-action-protect-us-financial-system>



FinCEN Names Banca Privada d'Andorra a Foreign Financial Institution of Primary Money Laundering Concern

20150310.pdf 235.09 KB

Contact: Contact: Steve Hudak (703) 905-3770

Immediate Release: March 10, 2015

Source: <https://www.fincen.gov/news/news-releases/fincen-names-banca-privada-dandorra-foreign-financial-institution-primary-money>



FinCEN Names ABLV Bank of Latvia an Institution of Primary Money Laundering Concern and Proposes Section 311 Special Measure

Contact: Steve Hudak, 703-905-3770

Immediate Release: February 13, 2018

Source: <https://www.fincen.gov/news/news-releases/fincen-names-ablv-bank-latvia-institution-primary-money-laundering-concern-and>

Combating Financial Crime

PwC

Action brought on 15 January 2019 — Pilatus Bank and Pilatus Holding v ECB

(Case T-27/19)

(2019/C 72/60)

Language of the case: English

Parties

Applicants: Pilatus Bank plc (Ta'Xbiex, Malta) and Pilatus Holding Ltd. (Ta'Xbiex) (represented by: O. Behrends, L. Feddern and M. Kirchner, lawyers)

Defendant: European Central Bank

Form of order sought

The applicants claim that the Court should:

— annul the ECB's decisions dated 2 November 2018 and send to Pilatus Bank plc. on 5 November 2018 regarding the withdrawal of the banking license of Pilatus Bank;

— order the Defendant to pay all costs.

Source: <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:62019TN0027&from=EN>

* Source: <https://www.economist.com/europe/2019/01/24/malta-and-cyprus-face-growing-pressure-over-money-laundering>

Finance Malta – June 2019

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What to do?

What to do?

Prepare for what might come!



Ask yourself some general questions:

- ☑ Have we completed a financial crime risk assessment recently? If not, why not?
- ☑ Is our financial crime program organization-wide or siloed?
- ☑ Do we share alerts and findings on financial crime across our entire institution?
- ☑ Do we test our internal financial crime controls frequently to determine if they work effectively?



Consider prioritizing financial crime compliance projects in order to obtain credit for being proactive

- ☑ Review your financial crime compliance program to identify gaps or issues
- ☑ Perform proactive customer and transaction look-backs in order to assess risk and trigger remediation
- ☑ Closely follow European and global AML- and sanctions-related developments
- ☑ Define scope and extent of activities performed based on recent enforcement and media coverage



Get the mix right

- ☑ Assess your **technology** – are monitoring and screening solutions up-to-date, provide meaningful results and are integrated across financial crime topic areas?
- ☑ Is your **technology** being used by people who have the skills to understand monitoring or screening results and refine filters or typologies when deemed appropriate?

Thank you!

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