

Trade Based Money Laundering

Financial
Crime:
Processes &
Technology -
Masterclass

LECTURE
SUMMARY

What did we cover in this lecture?

Accessed the extensive knowledge of 3 financial crime experts in trade based money laundering



Taught by:
Rian Chapman

- Trade-based money laundering is the process of disguising the proceeds of crime by moving funds through trade transactions, in an attempt to legitimise their illegal origin or finance illegal activities.
- Financial Intelligence Units (FIU) guidance indicates that professional money launderers use trade based money laundering extensively
- This can include methods like:
 - Mispricing
 - Phantom shipments
 - Over or under shipment
- Indicators of trade-based money laundering include: customers suddenly being involved in the import/export of goods; customers who appear to conduct business exclusively with a single counterpart; an unexplained change in transaction volume and/or value; evidence of consistent and significant cash payments, including to previously unknown third-parties.