An Analysis of Anti Money Laundering Laws to Curb Money Laundering

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Abstract
The fight against money laundering can be an effective means of denouncing serious crimes that are disrupting the criminal financial infrastructure and thus creating an underlying crime. More and more money laundering and criminal investigation systems are needed to detect money laundering. The more likely they are to detect money laundering and related offenses to determine the underlying crime. The fight against money laundering can be summarized as a disruption of criminal financing. Without system change, the balance between the fight against money laundering and criminal failures in developing countries will remain unsuccessful. In this context, this research analyses the Anti Money Laundry Laws significance to curb money laundry in different forms.

1. Introduction
Levi (2002) reported that "the impact of anti-money laundering efforts on law enforcement resources, organized crime markets or levels of drug use remains poorly understood." Money laundering is about whether governments and financial institutions can strike the right balance between
disruptive financial activities related to crime and the protection of confidentiality. Levi (1991) stated that "the general criminological approach in the surveillance of young people and the poor leaves without analysis or explanation some important tendencies in the regulation of the so-called crime and organized of the superior world. In his research, It is important to mention that financial institutions are not a reliable partner to find their own currencies, since they have at least the interest to do business and support the objectives of public policies. Walker and Unger (2009) reported that "The measure of global money laundering, a product of transnational crime pumped into the global financial system, is still in its infancy. Such methods as case studies, proxy variables or models to measure submerged economy. They tend to underestimate or overestimate money laundering". Chong and Silanes (2011) stated that "tighter money laundering regulations, especially those that criminalize food activities and improve disclosure, are linked to a reduction in the level of money laundering in all countries. The results are robust to the potential implications of money laundering regulation". The discussion above establishes a clear gap between the image of money laundering described above and the more heterogeneous world of criminal financing, including money-laundering scenarios, as well as more complex systems (Levi, 1991). It further stresses the importance of adopting a model capable of preventing money laundering in all possible form. Rest of this work has organized as follows. In section 2 literature review is presented. Section 3, analysis the anti money laundry laws whilst conclusion and future work is given in section 4.
2. Literature Review

Quirk (1997) has stated that "money laundering and the measures taken to combat it are now under intense international scrutiny." Money laundering at this time has been considered a major challenge in ongoing efforts to prevent financial crime around the world. Unger (2009) stated that "money laundering including the illegal entry of drugs, fraud and other crimes in the legal economy has become an issue of international concern." Therefore, it is necessary to adopt procedures to curb or to limit these activities. Levi and Reuter (2006) stated that "techniques for concealing the proceeds of crime include the transportation of funds out of the country, the purchase of businesses through which funds can be channeled, the purchase of value easily transportable, Transfer Pricing and Use of undergrounds Banks." However, Naylor (2003) argued that "instead of focusing on a profit-based crime as a logical sequence of actions, it deconstructs a crime based on the gains of its inherent characteristics. Research by Walker (1999) has concluded" a total of 2.85 billion dollars of money laundering a year, very concentrated in Europe and North America." In another research by Argentiero et al (2008) "The analysis of the series generated suggests two main results. First, money laundering accounts for approximately 12% of world GDP; Second, money laundering is more volatile than, and is negatively correlated with, global GDP". It is known that many criminal activities involve a financial element could clearly mean that money laundering can be found in almost all crimes. However, if there is no particular way to expose the crime
through its financial component, the search for a type of money laundering component for each crime cannot be used to identify possible crimes. “Since the enactment of the Police and Criminal Evidence Act in 1984 in the United Kingdom, many changes have been made to legislation, which undermines the confidentiality of bank records, not only with respect to drug trafficking, but also with respect to employees white collar and others difficult to condemn crime” M. Levi (1991). In essence, the money laundering system may react differently when achieving the corresponding objectives. The most important assumptions suggest that criminal financial transactions can have social costs against crime. Governments across the world are using investigators who offer money laundering and capture the criminals who accept it. Moreover in view of government requirements to report on significant transactions in foreign currency obtained from different sources can also support traditional methods of crime investigation.

In general, the more control a criminal has over their financial resources, the more valuable it will be, since it could become financial resources to be used in criminal activities. Levi (2002) argued that "if money laundering is prevented, the incentives to become major criminals are reduced". He also insist on "controlling bank accounts belonging to people who may be involved in a" serious crime" Levi (1991). In a general sense, financial experts can sometimes help uncover money laundering crimes. Similarly, the sanctions could be introduced to make it more difficult for those who help criminals obtain benefits and invest in crime; however, there is an inconsistency in money laundering laws, as implicit in the world. Therefore, the inflexible approach of
legal studies on global laws hides a necessary structure to support efforts against many complex crimes. It would be interesting to observe the conclusions of Ferwerda (2009), who affirmed that "all the countries of the world are more or less obliged to cooperate in the global fight against money laundering". In addition, Ferwerda (2009) in his reported work also modeled "the criminalization of money laundering, assuming a rational behavior of criminals, according to the law and economics of the so-called crime economics literature". It has been proposed that procedures be adopted to suspend the financing of criminal activities that cannot be fully evaluated without an evaluation of the arguments for criminal financing (Taylor, 1992). Walker (1999) stated that "known cases of money laundering involving large amounts of money from crimes are of considerable public interest and, therefore, are widely publicized."

3. Discussion and Analysis

Crime funds can be transferred, exchanged and used. Efforts to detect core crimes by monitoring financial transactions can be a barrier to criminal financial activity and should be promoted. Therefore, the interruption of the financial activity of the criminal forces can be seen as an important step and is necessary to make financial crimes as uncomfortable as possible. Financial transactions leave records, and even in places where there are not enough records; records can be created using various available written records. There is a strong need to create awareness of money laundry and its impact on the economy of a country and on the whole world. Such awareness is needed in particular
among the employee of financial institutions. Since, Araujo (2010) reported that "the number of employees prepared or willing to fight is also decisive for the number of banks that decide to fight against money laundering". Despite, this can help investigators identify crimes related to certain types of transactions which can be used in a lawsuit against a defendant. The scope of a crime covers not only those who are involved, but also those who benefit from it. By using a bank account protected by the secrecy law of banks and companies located in foreign financial zones, individuals can transfer and exchange resources without leaving an easy way to be caught. It is difficult to accept an offender who has used money and not the currency itself, since then, any attempt to alter criminal finances has involved financial and non-financial costs; decision makers must consider these costs when deciding to continue their efforts to interrupting the financing of criminal activities.

Ferwerda (2009) measured four policy areas that are: "The Role of Law, the Institutional Framework, Private Sector Obligations in the Application of Law and International Cooperation." The policy area associated with a lower crime rate. This result should provide an additional incentive for countries and international organizations to continue their efforts to promote and develop international cooperation in the fight against money laundering". The main criminal law on money laundering, as it exists in developing countries, allows prosecutors to use money laundering to strengthen sentences imposed on a large number of defendants. However, the weaknesses of existing strategies make it difficult to handle complaints against third-party substitutes, as
they are based on the use of financial rules and covert transactions.

Crime official sources in most of the time view money laundering as a paradigmatic example of criminal financial activity, with money laundering being the most convincing example of financial crime. Masciandaro (1999) stated that “economic research has not yet systematically analyzed the existing interactions between the criminal economy and the financial markets”. The damage caused by money laundering can even have more negative systemic then it is normally considered. It could effect by disrupting legitimate economic activity initiatives.

Walker (1999) stated that "a large number of national and international organizations have attempted to quantify organized crime and the elements of money laundering". Naylor (2003) proposed a model "to provide a clear and general terminology for understanding crime for profit in economic rather than sociological terms". Similarly, Walker (1999) also describes a relatively simple criminal economy model, constructed from readily available international databases, that closely predicts a range of experience and seems to provide a framework for identifying and monitoring the size of the data flows of money in the world. This model was subsequently modified as a "Walker’s gravity model" which could be used to "estimates the flows of illicit funds to and from each jurisdiction throughout the world" (Walker and Unger, 2009). They also suggested that "once the magnitude of money laundering is known, its macroeconomic effects and the effects of crime prevention, regulation and enforcement of money laundering and transnational crime can also be measured" (Walker and Unger,
2009). Argentiero et al (2008) in one of their research work have also implemented a methodology that exploits the optimal conditions of businesses and households to measure money laundering for the Italian economy.

Chong and Silanes (2011) indicated that "the relevance of historical factors to explain changes in the regulation of money laundering sheds light on institutional theories and leaves room for new actions, particularly in areas of law that improve the impact of legislation, incrimination, including the responsibility of intermediaries, reducing the burden of proof and better disclosure ". The fight against money laundering seems to be aimed not only at money laundering in different ways, but also at the financing of criminal activities. Levi (2002) identified three aspects of money laundering-related damages that facilitate the expansion of criminal groups, corrupting financial institutions and their magnitude. Quirk (1997) further argues that "the assessment of the resource costs and benefits of countermeasures depends in part on an understanding of the macroeconomic effects of money laundering". In addition, M Levi and P Reuter (2006) have defined the techniques of concealing the proceeds of crime as "the transfer of funds out of the country, the purchase of activities through which funds can be channeled, the purchase of easily transportable valuables, transfer and use prices.

Strategies that use financial activity to identify the responsibilities of high-level offenders may also be a fundamental concern of the justice system. It is however necessary that those who finance the crime must be identified as responsible. There are number of strategies which can be
taken into account to prevent money laundering. One of such strategies could be the potential risk for criminals is that financial institutions can disclose it if the money in their accounts is related to the crime. Researchers, however, have different thoughts concerning what could be the possible strategies to reduce money laundering. One of the researcher Araujo (2010) in one his published findings related to money laundering has stated that "the effectiveness of the fight against money laundering is based on the combination of factors such as the proper design of anti-money laundering regulation and the endogenous disposition of banks and workers to cope with money laundering. Similarly, it is inappropriate for the financial system to transfer profits from criminal activity to all non-compliant individuals". Alldridge (2008) says, money laundering must be one of the driving forces of international trade, cooperation in criminal justice, and therefore a force for the homogenization of criminal justice systems.

Money transfer companies can serve as banks for the first monetary investment. This is one of the reasons why suspicious activities and other suspicious activities are reported to money services companies and banks. The above reasons suggest that the law should have other specific objectives that would divert many efforts away from the overall structure of the crime financing system. However, Naheem (2015) has claimed that the "money laundering resulting from the use of investments will continue to occur and will be increasingly complex to avoid detection." Any attempt to combat money laundering goes beyond political symbolism. It is understood that a
reliable method of fighting crime is to follow the people and activities that promote the crime. However, Alldridge (2008) argued that "to legally regulate money laundering, it must be a relatively serious crime therefore; the anticipated damage must be more than complicity". In addition, he stated that "the regulatory framework should aspire to be universal otherwise the costs of supervision would be too high), professions should be recruited for this purpose".

The difference between the motives of the fight against money laundering and its actual activity raises the most fundamental question of the application of criminal law. The higher the perceived benefits of illegal activity, the less legal activity are compared, since illegal money laundering can subsidize anti-competitive practices. To curb the financing of criminal activities, it may be necessary to develop a financial data collection framework that gives more power to the state.

4. Conclusion and Future Work

The contribution of this paper is to analyze the anti money laundering laws. It is cleared that the legislator considered that a complex system would make it more difficult to finance criminal activities. In future this research will analyze UK anti money laundering law model and its significance to curb the money laundering in the developing countries. We are committed to contribute future research findings with the ongoing research in this area.

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