

Money laundering

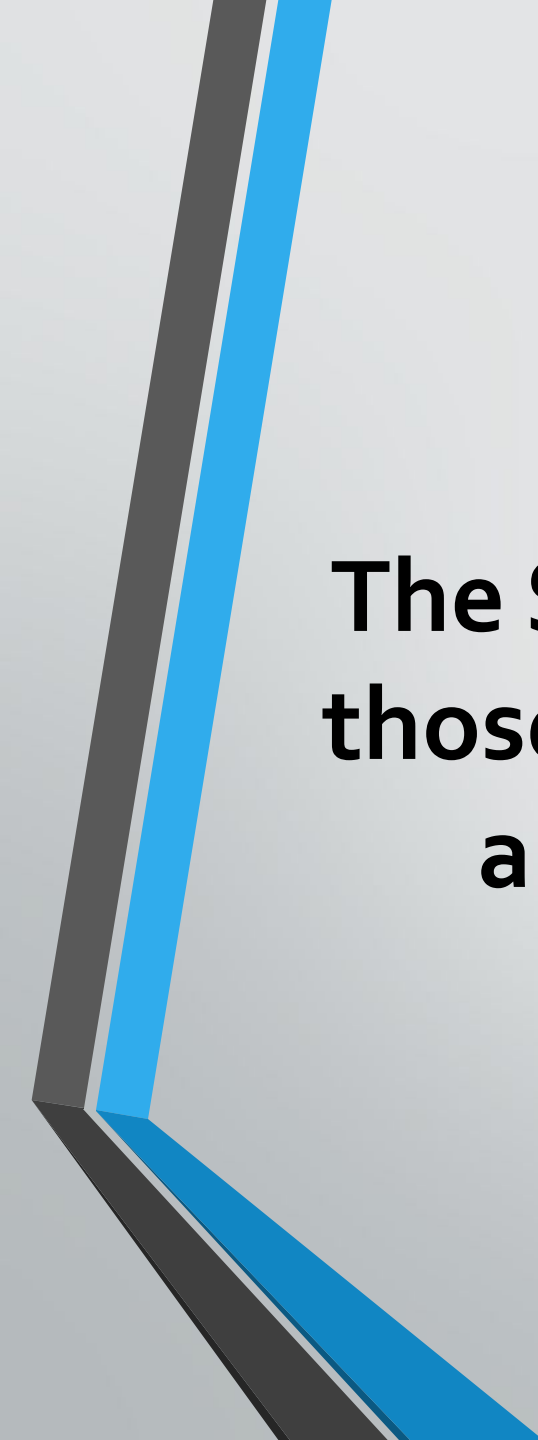


Criminals use the financial system to put money which has been obtained illegally into legal business and bank accounts, so that they can hide it or use it.



In January 1989 the Basle Statement of Principles on Money Laundering was circulated to all institutions authorised under the Banking Act.





The Statement of Principles seeks to deny to those who involved money laundering by the application of the following principles:

a) Know your customer - banks should make reasonable efforts to determine the customer's true identity, and have effective procedures for verifying the bona fides of new customers, that is, they are who they say they are.



b) Compliance with laws - banks should ensure that business is conducted in conformity with high ethical standards and laws; that a service is not provided where there is good reason to suppose the transactions are associated with laundering activities.



c) Cooperation with law enforcement agencies - within any constraints imposed by rules relating to customer confidentiality banks should co-operate fully with national law enforcement agencies including, where there are reasonable grounds of suspecting money laundering, taking appropriate measures which are consistent with the law.

