

Chartered Banker

Leading financial professionalism

Money Laundering

Assignment

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Important Assignment Information

ASSIGNMENT LENGTH

For assignments submitted on or after **1st September 2008**, there is a **maximum** word count of **2,500 words**.

From that date, if you fail to adhere to the maximum word count, a deduction will be made to your final assignment mark. Specifically, if you exceed the 2,500 limit, you will be deducted **1%** for every **100 words** or **part of 100 words** over the limit.

For example, if you write a total of **2,614** words, a **2%** deduction will be made to your mark. For clarification, the word count includes all references and attached appendices.

PASS COMPENSATION AWARD

In recognition of the importance attached to the assignments, an award of **Pass Compensation** will be made to you if you score between 45% and 54% in the final exam and if you complete the required assignment(s) under the following conditions:

1. The assignment mark must be 60% or above – where two assignments are required, then the average mark must be 60% or above **and**
2. Assignments must be in the hands of the Tutor **at least** one month prior to the **chosen examination date for each subject**.

For example, if you enrol to sit a **full** credit subject examination on **15th December**, you must have sent **both** assignments to your tutor by **15th November**.

Similarly, if you enrol to sit a **half** credit subject examination on **2nd March**, you must have sent the **sole** assignment to the tutor by **2nd February**.

Please also note the following:

- (a) Where an assignment is marked at less than 60%, this may show up as **'Fail'** in the web-based student record – this is purely with reference to the Pass Compensation award and does not necessarily mean it is a sub-standard submission
- (b) You are **not** permitted to **re-submit** an assignment in order to gain a higher mark
- (c) In the event that you fail an exam and have not completed the required assignment(s), you can subsequently complete the required assignment(s) – these will then count towards any re-sit examination undertaken. Submission dates for these assignments must comply with the relevant timescales as stated in **2** above.

Question 1

Amanda is a UK citizen, but has lived with her parents in the Republic of Ireland since she was very young. Having finished secondary education she has decided to seek work in the United Kingdom. She has been offered a job in an office in Edinburgh and her employer has asked her to provide details of a bank account to which her salary can be paid. Olivia's only proof of identity is her passport.

Amanda visits a branch of a local bank in order to enquire about the possibility of opening a current account.

Required:

(a) State and explain the standard identification requirements that will normally have to be fulfilled in order for a customer to open a bank account.

(5 marks)

(b) Suggest ways in which the bank might verify Amanda's identity, assuming that she can only provide her passport as evidence.

(5 marks)

(c) Explain the guidelines issued by the Joint Money Laundering Steering Group in relation to the types of documents that should be considered to support the bank's verification procedures.

(5 marks)

(TOTAL 15 MARKS)

Question 2

The Financial Services Authority requires that financial services providers adopt a risk-based approach to anti-money laundering policies.

Set out the factors that should be considered by a firm when assessing its risks of exposure to money laundering and terrorist financing.

(15 marks)

(TOTAL 15 MARKS)

Question 3

(a) Explain the main characteristics of alternative remittance systems.

(4 marks)

(b) Explain the methods of settlement used by alternative remittance systems.

(4 marks)

(c) Explain the steps that banking institutions take in order to reduce the prospect of operators of alternative remittance systems from transferring illicit funds through their money transmission services.

(7 marks)

(TOTAL 15 MARKS)

Question 4

(a) Discuss the potential conflicting duties of secrecy of a firm to its customer under the Data Protection Act 1998, the common law and the anti-money laundering regulations and explain how such conflicts are resolved.

(9 marks)

(b) Explain the terms ‘tipping off’ and ‘prejudicing an investigation’.

(6 marks)

(TOTAL 15 MARKS)

Question 5

(a) Explain the anti-money laundering policies and procedures that should be adopted when dealing with corporate customers.

(9 marks)

(b) Briefly explain any **two** commonly applied methods of laundering money through trade-based transactions.

(6 marks)

(TOTAL 15 MARKS)

TOTAL ASSIGNMENT MARKS – 75