

Trade Finance-Based Money Laundering (AML & CFT)

Trade Finance-Based Money Laundering (AML & CFT)

By Yeo Chin Kiat (Richard)

Programme Synopsis

Trade finance-based money laundering is an attractive method to launder money, finance terrorism or proliferation due to the possibility of large cross-border transfers without raising suspicion. Moreover, paper-based processes of the global trade finance leave it open to abuses such as forging invoices or bills of lading used as proof of transactions that never took place. Trade transactions therefore allow to hide in plain sight, under the cover of legitimate trade, business through forged documentation thereby posing significant challenges in detection.

This one-day workshop will help participants develop a practical understanding of Trade-Based Money Laundering (TBML), identify specific risks in Trade Finance and enable them to detect and mitigate such risks. It also helps participants identify potential areas where money launderers use trade to move value with the intention of obscuring the true origin of funds.

The learning objectives of the programme are to enable participants to:

- Develop a practical understanding of Trade-Based Money Laundering.
- Identify specific and oft-overlooked risks in Trade Finance
- Ability to detect and mitigate risks associated with TBML
- Identify potential areas where Money-launderers use trade to move funds and obscure true origin of funds
- Understand the potential red flags such as forged documentations, invoices or Bills of Lading

Who should attend

- ❖ Trade Finance professionals
- ❖ Risk and Compliance
- ❖ Relationship managers and staff (operations) in Trade department in the banking industry
- ❖ Exporters, Importers, Sales and Purchasing Managers
- ❖ Accountant and Auditors
- ❖ Freight Forwarders
- ❖ Lawyers
- ❖ Insurance Specialists
- ❖ Anyone involved in International Trade or Purchasing

Programme Outline

- ❖ Overview of Trade-Based Money Laundering (TBML)
- ❖ Who is the Customer in a trade transaction?
 - Know your Customer (KYC)
 - Know your Customer's customers (KYCC)
 - On Boarding
 - Reviewing Customers
 - Customer Due Diligence (CDD)
- ❖ Trade Related Products
 - Letters of Credit
 - Documentary Collection
 - Guarantee
- ❖ Trade Risks-Based Approach (RBA)
 - Dual Use of Goods (DUG)
 - Pricing
 - Prohibited Relationships
 - Records Keeping
- ❖ High Risk Countries
 - Sanctions
 - Related Parties
- ❖ Quantity Manipulations
 - Short Shipment
 - Over Shipment
- ❖ KYC/AML
 - Correspondent Banks
 - KYC and EDD- how deep does one need to dig
 - Criminal use of companies accounts and nesting of correspondent accounts
- ❖ Document Manipulation
 - Multiple invoicing—submission to multiple banks within a given time
 - Phantom shipment
- ❖ Red Flags
- ❖ Brief Information on Trade Finance Regulations
 - MAS 626

Trainer's Profile

Yeo Chin Keat (Richard) has over 25 years of working experience in the banking industry, covering the areas of International Trade Finance, Funds Transfers (Remittances), Business Administration, Retail Banking and Risk Management. Over the past decades, he has worked and conducted in-house training and presentations in full-service, merchant and offshore banks including JP Morgan, HL Bank, The Asahi Bank, Armco Pacific Pte Ltd (a USA based Merchant Bank), to name a few. He was formerly the Head of Commercial Group (Bills and Funds Transfer) in JP Morgan and also helped established the Bills and Trade Finance department in Armco Pacific Limited.

He was also a Deputy General Manager and Compliance Officer in an offshore bank, in charge of Trade Finance, Settlements, Remittances, Deposits, Loans Administration, Correspondent banking as well as Accounting and Regulatory Compliance. He worked with the HL Bank as their Branch Operations Manager.

Yeo Chin Keat is an Associate Trainer with the Institute of Chartered Accountants (ISCA), and a part-time Associate Lecturer with the Singapore Institute of Management (SIM) and also a part-time Tutor with Business and Management Education Limited, for the Manchester Business School MBA program conducted in Singapore. He also conducted trade courses with The Institute of Banking and Finance (IBF), Singapore and Myanmar Institute of Bankers, Yangon, Myanmar.

Yeo Chin Keat is an Associate Member of the Chartered Institute of Bankers, a graduate member of the Institute of Exports (UK) and holds a Master of Business Administration degree, jointly awarded by the University of Manchester and the University of Wales, UK. He also attended numerous NIE training courses.