Title

Impact of Money Laundering on Financial Institutions and Solutions to Mitigating the Risks: A Study of Major Financial Centers in the Caribbean

CHAPTER 01 INTRODUCTION

Money laundering is a global issue that undermines political and economic stability. Its devastating impacts have raised concerns at an international level, with different measures and initiatives proposed to fight the problem (Aluko & Bagheri 2012). However, as much as it is a global issue, it is evident that developing nations have been the most vulnerable to exploitation, particularly wherewith they have earned the designation as a money-laundering haven, particularly due to poor regulatory laws and lax enforcement of such laws. Such crimes infiltrate financial institutions and undermine their effectiveness (Kemal 2014). This study will look specifically at money laundering activities' impact on financial institutions.

For the most part, tax evasion involves a series of different trades intended to conceal the source of monetary resources so that those resources may be used without jeopardising the lawbreakers who are trying to use them. Typically, these transactions are divided into three stages:

(1) arrangement - the process of putting illegal returns into monetary establishments through stores, wire transfers, or other means;
(2) Layering - is the most common method of isolating the returns of crime from their starting point by using layers of complicated monetary exchanges, and
(3) reconciliation - is the process of concealing illegal returns by using a genuine exchange. During these cycles, a thief strives to convert the cash gains obtained from unlawful activities into assets with a legitimate source. Tax evasion, if left unchecked, has the potential to destabilise a country's monetary underpinnings.

Because of the wide range of capital business sectors, criminal tax evasion can also harm monetary standards and lending rates. Laundered money eventually finds its way into global monetary frameworks, where it may undermine public economies and monetary norms. Tax evasion is more than simply a policing issue; it also poses a substantial public and global security risk.

Illegal tax evasion is a problem not just for the world's major monetary business sectors and seaward foci but also for growing company sectors. Undoubtedly, every country's part of the global financial structure is in jeopardy. As emerging corporate sectors liberalise their economies and monetary systems, they become more realistic targets for criminal tax evasion. Expanded efforts by experts in the major monetary business sectors and many seaward monetary focuses to combat this activity provide launderers more motivation to migrate activities to expanding business sectors. There is evidence, for example, of expanding cross-border cash shipments to business sectors with free courses of action for recognising and maintaining the position of money in the monetary framework and developing speculation by coordinated wrongdoing bunches inland and organisations in developing business sectors. Regrettably, the negative impacts of unlawful tax evasion are frequently compounded in expanding company sectors.

This dissertation examines the current state of the fight against unlawful tax evasion and Solutions to Mitigating Risks in the Caribbean. As a result, it begins by examining the many arrangements and intentions surrounding this topic at the global and territorial levels. It then depicts the tax evasion procedure and the relevance of its avoidance for monetary and monetary stability, including a discussion of specific effects on the real world.

The report's final section presents our thoughts on the continued challenges of monetary policy in Latin America and the Caribbean. We recall a few ideas for emerging dangers related to the funding of psychological oppression and emphasise the requirement for inventive and coordinated global action to combat these fundamental concerns and ensure monetary area uprightness and macroeconomic stability in the region.

1.1 Research Problem

Money laundering control is a complex concept not well served by research trying to address its impact on financial institutions. Research on the impact of money laundering within different contexts, including the impact on financial institutions, is plentiful (Alomari 2020; Aluko & Bagheri 2012; Le Nguyen 2018; Rose 2019). There is also plenty of research on money laundering in the Caribbean, particularly in the Cayman Islands (Campbell 2021; Freckleton 2019; Le Nguyen 2018). There is, however, a lack of consensus as to whether money laundering necessarily harms financial institutions and, if yes, to what extent (Lawlor-Forsyth & Gallant 2018).

1.2 Research Aim and Objectives

The study aims to analyse the impact of money laundering on financial institutions in the Caribbean and determine the solutions to mitigate impact risks for these institutions. The following objectives will be addressed.

- To identify the possible causes of money laundering globally and how these show up in the major Caribbean financial centres like the Cayman Islands
- To determine the consequences of money laundering on the Caribbean economy
- To understand existing anti-money laundering laws in the Caribbean
- To analyse existing remedies to curb money laundering practices and how effective Caribbean nations have been in applying these remedies

1.3 Research Questions

Regarding the research aim and objectives, the study's main question is as follows, with specific sub-questions presented under it.

- The extent to which money laundering impacted the operations of financial institutions, and how can the risks associated with it be mitigated?
- What are the causes of money laundering globally, and how do these show up in the major Caribbean financial centres like the Cayman Islands?
- What are the consequences of money laundering for the Caribbean economy?
- In terms of solutions, what anti-money laundering laws are currently in place in the Caribbean, and how can they help curb money laundering practices and their effectiveness in the region?

1.4 Research Rationale

The rationale of this proposed study is laid out in terms of the four research objectives to be addressed. Identifying a solution to this problem requires analysis and identification of the core issues which has created the problems. At its source – money laundering intends to hide monies earned illegally. Such Illegal money sources include money earned through drug and human trafficking, corporate fraud, embezzlement of public funds, smuggling of goods, solicitation, illegal charities, corporate fraud, and embezzlement of public funds. It is also closely tied to terrorist financing. Activities related to terrorist financing are closely monitored by global watchdogs, who have been known to block small economies and financial centres that are deemed to be supporting activities related to Terrorist Financing. For these reasons, it is important to understand the causes and create and implement effective strategies to curb the vice.

Second, money laundering is seen as a deterrent to a country's economic growth and development. Annually, some Countries lose trillions of dollars due to money laundering and its associated illegal activities. If this drain on the country's economic performance could be curbed, it could positively impact the Gross Domestic Product and, by extension, create positive financial growth. Further, Money laundering has to be a key consideration in assessing income inequalities as well as inflation in any economy and should be included as a primary objective when researching the consequences of money laundering and in formulating and implementing mitigating controls for developing countries if we are to address current inadequate money laundering policies effectively.

Third, there are currently no universal money laundering regulations. However, the Financial Action Task Force (FATF), which constitutes 36 member countries, has developed anti-money laundering policies adopted globally. The European Union is committed to fighting this vice. The EU regularly publishes anti-money laundering directives adopted by the member states. The EU recently published the fifth and sixth money laundering directives that become effective in 2020 and 2021respectively. On the other hand, the UK has established an independent authority, the Financial Conduct Authority, to formulate and implement financial regulations. In the United States, anti-money laundering regulations are covered under The Bank Secrecy Act 1970, with various amendments included in the Patriot Act 2000.

Fourth, concerning the previous point, findings from the study can help identify loopholes that money launderers exploit as a result of inadequate regulated financial securities. The aim would be to help countries with inadequate resources fight this vice. The dissertation will recommend regulations of global hedge funds and increase disclosure by financial institutions while also recommending severe punishment of the perpetrators as a deterrent.

CHAPTER 02 LITERATURE REVIEW

Background

In 1970, when the Criminally Influenced and Corrupt Organizations Act (RICO Act) was enacted, the United States government endorsed the Bank Secrecy Act (BSA). Financial institutions or foundations based in the United States want to know the source, amount, origin, and purpose of cash and other monetary instruments brought into or out of the nation. This was then enshrined in the Organized Crime Control Act (1970). The word "illegal tax evasion" was coined officially by the United States government in the Money Laundering Control Act of 1986, making it a federal offence.

In 1988, the United States passed the Drug Abuse Act, which imposed new restrictions and authorised tools to combat tax evasions, such as the requirement to keep complete information and identifiable evidence from individuals receiving transportation reports or sums over $3,000 move. The Vienna Convention, signed in December 1988, and the European Council Convention, signed in 1990, boosted international efforts to combat tax evasion. The well-known responsibility to denounce money laundering from drug trafficking and launches the essential efforts to encourage worldwide involvement, while the last choice mandated instruments for the investigation and confiscation of unlawful currency from a crime.

The negative impacts of criminal tax evasion on the integrity of the monetary framework and the functional and reputational concerns for banks have become more burdensome for controllers. The Basel Committee issued its most noteworthy declaration against unlawful tax evasion in late 1988. In response to these shifting concerns, the Group of Seven (G7) established the Financial Action Task Force (FATF) at their Paris Summit in July 1989. Since then, the FATF has become the dominant force combating these global threats.

It refused particular exercises with "seaward" banks with no physical branches or subsidiaries in the US and increased the client's discernible testing requirements. unauthorised launch

Most relevant rules in all nations now incorporate a much larger concept of tax evasion to encompass a wide variety of financial reports (protection, contracts, government protections, securities), items, land, and gold and precious stones. This expanded definition has increased non-monetary professionals' engagement in the battle against criminal tax evasion. As a result, ideas for risk assessment in the land and precious metals trade and standards for specialists such as legal consultants and appraisers were produced. The FATF and other global master meetings established it to address these concerns.

Following September 11, 2001, most jurisdictions added the offence of financing scaremongers to their statutes. This is an exceedingly fascinating feature to differentiate since the assets utilised to promote psychological warfare can originate from illicit resources, but they can also come from legal resources supplied to various duties in the monetary framework Genuine. Because the assets might originate from legal tasks, the latter alternative has a far bigger stake in the financial structure. Scaremongers, on the other hand, are required to practise.

Money Laundering

What Exactly Is Money Laundering?

The goal of innumerable illegal activities is to make a profit for the individual or group organising the demonstration. Tax evasion is how these lawbreakers are dealt with, which continues to disguise their unlawful beginnings. This cycle is critical because it allows the offender to participate. Participate in these benefits without risking their origin. Illegal arms sales, theft, and planned misbehaviour, such as drug peddling and prostitution, can result in a large quantity of money. Embezzlement, insider trading, bribery, and PC blackmail techniques may be massive gains. Gain and instil the desire to "legitimise" ill-gotten wealth obtained via unlawful tax evasion.

When a crime creates big earnings, the individual or group engaged must find out how to control the assets while remaining anonymous to the covert activity or the individuals involved. Lawbreakers conceal the origins, alter the structure, or relocate the assets to a less visible location. In response to rising concerns about tax cheating, the G7 Paris Summit in 1989 established the Financial Action Task Force on Illegal Tax Evasion (FATF) to create a coordinated worldwide response. The FATF's initial objective was to push 40 Recommendations defining public legislators' activities to execute programmes to combat criminal tax evasion successfully. They were released in 1996.

How Can Money Get Laundered?

The money launderer adds their unlawful gains to the monetary system throughout the early or settlement phase of tax evasion. This might mean splitting a huge quantity of money into less noticeable and more modest quantities that are then immediately recorded in a ledger or by acquiring several financial instruments (cheques, money orders) that are then gathered and collected up Accounts placed in a separate area. During this stage, the money launderer makes several adjustments or improvements to the assets to separate them from their source.

The funds can be diverted by purchasing and selling investment entities, or the money launderer can move the assets via many registers at different banks worldwide. Controls against illicit tax avoidance must be coordinated. On occasion, the money launderer may disguise the transactions as labour and product fees, giving them a real look.

After successfully handling illicit advantages via the first two stages of the money laundering system, the launderer advances them to the third step — joining — in which the assets are returned to the real economy. The launderer may elect to invest the funds in real estate, extravagant resources, or business ventures.

Where Does Criminal Tax Evasion Take Place?

Because unlawful tax evasion is a key result of almost all illicit operations that create money, it may occur in almost any place around the globe. A site clearance as a result of a weak or inefficient adversary of illegal tax avoidance schemes Scrubbers is typically delighted to shift assets between areas with stable monetary frameworks since the purpose of tax evasion is to restore illegal assets to the person who produced them. Illegal tax evasion can also be topographically concentrated, as seen by how laundered assets have spread. For example, at the position level, assets are often handled near underground movements; frequently, although not in this mood, in the country where fortune begins.

The money launderer can choose a maritime financial hub, a significant provincial business district, or an international financial centre that provides a suitable financial or commercial basis during the layering step. At this point, the laundered assets may also migrate to cash deposits elsewhere, if possible, without leaving any trace of their origin or final location. Finally, if the laundered assets occur in volatile economies, the money launderers may opt to place them in different places during the commingling phase. Alternatively, places with few speculative potentials open the doors.

What Impact Does Tax Avoidance Have On Businesses?

The business core of banking and currency administration's honesty is built in part on the notion that it operates inside a system of highly legitimate, competent, and moral regulations. One of a financial institution's most precious assets is its reputation for integrity. Suppose a particular establishment can easily handle crime-derived assets, either because their representatives or bosses have been bribed or because the organisation ignores the criminal concept of such assets. In that case, the foundation may dynamically enter complicity with the scammers and become part of the lawbreaker's network. Evidence of such collaboration will harm the attitudes of other monetary and administrative mediators, specialists, and mutual consumers.

What Effect Does Tax Evasion Have On Economic Recovery?

Money launderers are always seeking new ways to disguise their assets. Schemes for evading taxes Money launderers will take advantage of public foes of tax evasion frameworks, which frequently shift their businesses to countries and currency frameworks with weak or incompetent responses. Some may argue that rising economies cannot afford to pay too much attention to the finance sources that attract them. However, delaying the exercise is dangerous. The greater the number of grants, the more coordinated anomalies are corrected. Similarly, the compromised integrity of a single financial institution dampens direct speculation, which is unknown given that a country's commercial and monetary sectors rely on the control and effects of coordinated irregularities.

WHAT IS THE RELATIONSHIP WITH SOCIETY IN GENERAL?

If allowed uncontrolled or inadequately handled, unlawful tax evasion's possible social and political implications are not to be underestimated. Bribes to officials and, of course, state administrations. Criminal organisations' economic and political effects may erode the social fabric, moral standards, and, eventually, the voice-based structures of society. These criminal ramifications might stymie governments' efforts to transition away from voting-based systems. At the most fundamental level, illegal tax evasion is inexorably tied to the underlying crime that created it. Money laundering allows criminal activity to continue.

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How Can Combat Unlawful Tax Evasion Aid In The Battle Against Irregularities?

Illegal tax evasion is a threat to the proper operation of a monetary system, but it may also be a crime's Achilles heel. In many situations, the associations formed by money transaction records allow for discovering hidden riches and identifying the criminals and the trustworthy criminal organisation. When criminal gains are acquired through robbery, racketeering, theft, or extortion, a tax evasion test is sometimes the best approach to discover and return stolen assets to the persons involved. The criminal's preoccupation with unlawful tax avoidance and denial of his ill-gotten profits renders him helpless to meet him where he is. The crime will not continue unless there is a monetary gain.

What Is The Fatf's Role?

The FATF is a multidisciplinary organisation that puts together the strategy that is the power of legitimacy, money, and people's monitoring. The FATF analyses individuals' progress in combating tax evasion; surveys and reports on money laundering trends, processes, and countermeasures; and supports the adoption and implementation of FATF anti-illegal tax avoidance legislation worldwide.

What Are The Forty Suggestions?

The FATF's Forty Recommendations, developed in 1990 and re-examined in 1996, are a comprehensive compilation of anti-tax evasion operations. They address the structure for law enforcement and surveillance, the monetary framework and its driving philosophy, and public involvement. Against this backdrop, each FATF party promised to combat unlawful tax evasion. The Forty Recommendations are widely regarded as the gold standard for anti-tax evasion initiatives worldwide. Several non-FATF countries participated by reporting on their attempts to fix the issue.

What Should Individual State Governments Do About It?

A novel way to prevent tax evasion should be possible, and many governments have been vigorous in battling large-scale hostile designs of illegal tax avoidance. These systems strive to increase awareness of the anomaly within government and the private sector to provide the necessary legal or administrative resources to the experts tasked with tackling the issue. Enable analytical organisations to track, seize, and ultimately confiscate illegally created assets; and offer the crucial infrastructure for relevant offices to communicate data with one another and with partners in other countries.

State governments should recall all-important voices to create a public adversary of the illicit tax evasion operation. They should, for example, bring together law enforcement financial management professionals and the business sector to allow financial institutions to play a part in troubleshooting. This includes, but is not limited to, notable specialists participating in the construction of frameworks for currency exchange advertising, client identification, record-keeping rules, and the technique for validating consistency.

Should States That Have Current Measures Be Concerned?

Tax evaders have shown to be quite inventive when creating new strategies to dodge a certain government's remedies. A general framework must be adaptable enough to recognise and respond to new unlawful taxes. Schemes for evading taxes Flags against criminal tax evasion frequently lead money launderers towards sections of the economy with weak or inadequate anti-money-laundering procedures. Again, a general framework must be adaptive enough to expand remedies to a new sector of one's economy. Finally, government administrations with varying levels of authority must collaborate to guarantee that money launderers cannot simply relocate to another location where unlawful tax avoidance is promoted.

Isn't There Anything To Be Said About Global Campaigns?

Crossover components are always included in widespread tax evasion schemes. Because illegal tax evasion is a worldwide issue, global participation in the battle against it is required. Several initiatives have been started throughout the world to address the issue. Around the end of the 1980s, global organisations such as the United Nations and the Bank for International Settlements began the initial moves toward resolving the problem. Following the establishment of the FATF in 1989, local organisations (for example, the European Union, the Council of Europe, and the Organization of American States) created strategies to combat unlawful tax evasion in their respective nations.

Definitions Of Money Laundering

The phrase 'illegal tax evasion' gained popularity in the mid-1990s and has been defined in various ways. Regardless of the definition,

- The primary meaning of the phrase is the most prevalent method of turning unlawfully obtained cash into legitimate money and cash for disguising a single source of illegal or criminal money and
- Avoiding the illicit methods of transmission.
- In reality, "illegal tax evasion" refers to any money exchange that creates a resource due to unlawful protests, corruption, tax evasion, and deceptive accounting. The ML approach appears to have been utilised by criminals such as thieves and privateers for quite some time, yet tax evasion did not become a global-local area problem until the year 100.

- Illegal tax evasion is a three-part procedure that might be contemporaneous, gradual, or spread out: position phase, shift phase, and establishment phase. Tax evasion cases have been examined honestly, extensively, and effectively as the history of illicit tax avoidance has come to light. The high points of tax evasion are hiding genuine ownership and origin of assets, excellent return management, changing returns with current tactics, and the ongoing chase of profit or money. Take advantage of improved inspiration. Tax evasion has occurred in some structures to the point that an advantage has been realised. Tax evaders' most effective techniques include employing high-end creative instruments, professional support, and international wealth building by leveraging gaps in linguistic and legal frameworks in different countries.

Money Laundering Techniques

Since its start in 1997, APG has examined the techniques, processes, and patterns of illegal tax evasion and militant psychological support, breaking down law enforcement to present new patterns of unlawful tax evasion and support for fear mongers to comprehend. The following are some significant tax evasion and psychological suppression tactics, procedures, plans, and instruments.

1. Corrupt practices (payment, continuation of demotion and demotion of cases undermining AMLCFT actions)
2. Money exchange/cash conversion
3. Money snatching/cash messengers
4. Smurfing/organising
5. Use of credit cards, cheques, promissory notes)
6. Purchase of diverse important wares (diamonds, valuable metals)
7. Significant resource acquisition (land, race ponies, vehicles)
8. Product exchanges (deal)
9. The use of wire moves
10. Alternative banking/elective settlement administrations (hawala/hundi, for example)
11. Illegal tax evasion using exchanges and
12. scaremongering financing Exercises in gaming (club, horse racing, web betting)
13. Mistreatment of non-profit organisations (NPOs)
14. 14 Involvement in capital-based business sectors Blending
15. (15th) (business speculation)
16. Use of shell corporations/partnerships
17. Using seaward banks/organisations, such as trust organisations, specialised co-ops
18. Use of selected persons, trusts, relatives, strangers
19. Making use of unknown ledgers
20. Recognized misrepresentation/misleading identification
21. Making use of "guards" expert administrations (attorneys, bookkeepers, representatives)
22. Additional instalment advances

International Efforts

Worldwide, Pioneers recognised the need for global efforts to combat unlawful tax dodging and offer psychological assistance to oppressors. Government authorities permit organisations to serve as the public focal point for anti-money laundering (AML) initiatives and share data between monetary endowments and regulatory licences. These are known as Monetary Information Units (UIF). Finally, since illegal tax evasion, FIUs have been the main point for public AML initiatives, CFT programmes and psychological assistance for the oppressed. To combat illegal tax evasion and fear-based oppressor funding, the Egmont Group of Financial Intelligence Units (Egmont Group), an umbrella organisation comprising 106 currency intelligence units (as of July 2007)4, was created in June 1995.

Improving global collaboration and coordination inside the AMLCFT framework is important to the entire policy agenda, forming two critical parts of robust policing and sharing policing expertise. Since World War II, several global spectacles have been conducted to ensure global peace, security, and orderly international relations.

Research shows that the main causes of money laundering are tax evasion, insurance fraud, theft, and corruption, which lead to increased interest and tax rates for the people paying them (Cotterill 2001; Hendriyetti & Grewal 2017; Korystin et al. 2020; Qureshi 2017). Money laundering channels include wire transfers and banks, with money launderers using specific methods to convert dirty money into clean money, which constitutes converting cash into easily transferrable assets, money circulation between different banks, alteration of the amount of differing security holdings, use of shell companies, changing currencies, and establishing businesses in other countries (Kemal 2014).

Money laundering can be minimised by implementing anti-money laundering methods, global cooperation, properly monitoring internet users, and training employees to maintain proper customer records (Kemal 2014). Research also shows that money laundering cannot occur unless a predicate offence (Bolton & Hand 2002; Sharman & Chaikin 2009). Corruption and money laundering are interlinked in that the former hinders the efficiency of the systems working to minimise the latter's occurrence. Asset confiscation systems and financial intelligence can be used to control both things, but these are not adequately implemented in developing countries, so money laundering cases are higher in those countries (Kemal 2014).

Research shows that illegal money generates from human and drug trafficking and other crimes, and money laundering has a key part to play in masking the origin and source of the illegal money and converting it into legitimate money (Bergstrom et al. 2011). The aim of preventing money laundering is simultaneously evident and doubtful, given that identifying the actors responsible for money laundering schemes is a challenge. One way to prevent the problem is by defining the limitations and responsibilities of public and private sectors in a way that helps with proper monitoring of such situations. Kemal (2014) further argues that these two sectors' collaboration is not encouraged because it leads to blaming games and weakened accountability, leading to inadequately implemented anti-money laundering practices.

Concerning the Caribbean specifically, the Cayman Islands, Bahamas, and Bermuda addressed money laundering based on what each jurisdiction considered adequate to counter the issue (Campbell 2021; Marshall & Campbell 2021). This was before 2000. The FATF has since focused on enhancing the legal system in a way that helps in strengthening the legal capacity of such jurisdictions to combat money laundering (FATF 1991; 1997). After the FATF blocklist was introduced in 2000, it took strong measures to enforce the standard by getting countries across the globe to use its recommendations (FATF 2000).

Despite large-scale global efforts to mitigate money laundering, it continues to be a concerning issue for law enforcement agencies and compliance departments worldwide (Alsuwailem & Saudagar 2020; Teichmann & Sergi 2018). In particular, developing countries require more urgent anti-money laundering solutions (Gupta et al., 2021).

Globalisation and Money Laundering

Criminals are presently exploiting the globalisation of the world economy by swiftly shifting valuables across international borders. Rapid developments in financial data, innovation, and matching make it feasible to transfer money anywhere globally with ease. Wrestling became outlawed as a result of this. Tax avoidance is more serious than it has ever been in recent memory. The deeper "dirty money" is integrated into the global financial architecture, the more difficult it is to determine its source. Given the pernicious concept of illicit tax avoidance, calculating the entire amount of money flowing through the apparel cycle is challenging—estimates of worldwide currency laundering range from $500 billion to $1 trillion each year. However, the disparity between these values is enormous; even the lowest indication highlights the gravity of the problem that state governments have committed to addressing.

Over the years, several modifications in the global monetary system have made the three Fs: identifying, freezing, and forfeiting illegally fixed salaries and resources, even more difficult. These are the "dollarisation" (use of the US dollar in exchange) of smuggling operations, the general trend toward monetary liberalisation, the encroachment of the Euromarket, and the proliferation of mysterious currency safes, where "money in megabytes" (e.g. cash as an image on PC screens) can be moved anywhere in the world without breaking a sweat.

The Cycle Of Money Laundering

Tax avoidance is the interaction that conceals unlawful gains without involving the thugs who wish to profit from them. Thugs, whether drug dealers, corporate criminals, or corrupt officials, need to launder cash for two reasons: the cash trail proves their defenselessness, and genuine currency is helpless against confiscation and should be insured. The functional norms are relatively similar regardless of who is employing the tax avoidance ploy. Tax evasion is a powerful three-step process that requires:

- The settlement, the removal of property from direct connection with the offence;
- Overlap, concealing the path to thwart pursuit; and
- Coordination, bringing available money to the perpetrator while keeping his verbal and geographic starting points hidden.

These three stages are known as position, stratification, and combination. Installed criminal operations are part of the legal economy, and the narrower their institutional and practical division, the more difficult it is to identify unlawful tax evasion. to identify tax evasion

- The larger the share of unlawful "administrations" in a national economy's real production of products, the more successfully illegal tax evasion can be combated in that country.
- Distinguishing between legitimate and illicit exchanges is more difficult for independent enterprises or self-employed individuals.
- The more known the bureau gets for employing checks, Mastercards, and other non-monetary tools to influence illicit money transfers, the more difficult it is to identify unlawful transfers.
- The greater the quantity of money released to real-world transactions, the more difficult it is to trace down and eliminate illegal cash. Separate the criminals from the legitimate troops.
- The more pronounced the expansion of the money management industry and the greater the variety of different types of money management that may be provided inside an integrated multi-divisional organisation, the more difficult it is to detect tax evasion.
- The greater the disparity between worldwide activity and the general pattern of money-laundering industries, the more difficult it is to uncover unlawful tax avoidance.

Economic Importance, Capital Market Integrity And Financial Stability, And Real-World Effects

The tax evasion process is divided into three stages:

a) the consolidation of elements of illicit exchanges in the monetary framework, such as drug, human, and arms trafficking, confiscation, tax evasion, and dishonour;
b) Later, many bank swaps will be made and moved to different registers and rooms to cover the beginning and area of the first infraction. Sending the exchange to a separate scope complicates the impacted experts' ability to review and recover later.
c) The third step is the arrival of these items at the resources, land, or resources of any type planned for an enterprise, allowing them to carry out lawful activities.

Tax evasion and terrorist financing can impact the economy's overall strength and monetary reliability by presenting asset allocation curves to make risk decisions less dependent on factor costs and profit performance estimates and more dependent on criminal or illegal activities. Furthermore, illegal tax evasion by monetary gifts has three negative consequences:

a) It decomposes the monetary organisations included within. This might be because staff involved with the washing tasks defraud the element or a badly coordinated individual seizes possession of the money material.
b) b) It undermines public trust in the bank and non-bank monetary fundamentals, reducing their effect on developments. Bank and non-bank components are critical in developing and allocating capital, notably in the construction of economies. The effective transformation of the monetary system in these areas is based on extensions

guaranteed by the taxpayer's and lender's safety. Illegal tax evasion harms bank assets' reputation, diminishes their potential to attract capital, and reduces their reasonably anticipated worth.

c) c) In currency organisations, the lack of feasible measures to address criminal tax evasion lowers prospects for good governance and encourages active play. On the other hand, anti-tax evasion tactics promote sound corporate governance and prevent functional gambling, therefore contributing to the efficient functioning of banks and non-bank monetary organisations. This was the conclusion of the Basel Committee, which includes important elements of a known-your-customer approach in its requirements for effective financial oversight. Internal control and opportunity management techniques rely heavily on this. The Basel Committee also handles the issue of end-recipient information, which, if not adequately enforced, may ultimately result in a monetary facility being confined by insufficient coordination.

There is still a limited amount of material on the direct effects of unlawful tax evasion in the legitimate economy. Nonetheless, there is evidence that, despite the negative effects on the financial system, illegal tax avoidance may harm efficiency by creating little motivations that instigate exchanges that are not based on traditional market systems for asset allocation based on relative costs and benefits. The FATF and FATF-like local gatherings and the Egmont Group acknowledged that land, diamonds, rare metals, luxury cars, and, more recently, fine artworks and collectables are among the most popular methods of investment used by tax evaders. By becoming substantial stockpiling systems, these business forms attract assets that may be used for beneficial activities in some way. The most well-known example is land speculation, when tax evaders' development incites greater market costs, causing all purchasers to overpay for property resources and possibly causing "swarming out" effects. There is also evidence of a strong association between low levels of consistency with a global adversary of tax evasion rules and poor assessment assortment, and higher defilement levels.

Illegal tax evasion can cause massive market contortions in somewhat small countries or in countries that are extremely vulnerable to monetary flows, such as those located as "seaward" centres. In terms of monetary tasks, these wards confront double adversity. They should keep costs reasonable (in terms of charges and instalments for banking administrations provided) and set up administrative circumstances that do not block the flow of capital inflows and surges. At times, the pursuit of more adaptive norms has resulted in a less than ideal situation in which the possibility of unlawful tax evasion is used, with negative effects for the country and the global community. Previous experience has shown that wards with lax administrative frameworks attract illegal funds and, eventually, face reputational concerns resulting in poor business turnover and significant differences in their financial activity and work levels.

The significance of anti-tax evasion targets and activities to combat the funding of illegal intimidation for public and worldwide security has grown in light of the current state of global issues, as distinguished by the development of new fear monger dangers, for example, the Islamic State of Iraq and Syria (ISIS), and the resurgence and fortification of new groups of planned psychological militant gatherings, for example, those associated with Al Qaida and Al Shabaab, among others. Appropriating the flow of money (legal or illicit) to fear-based oppressor groups, drug and people traffickers, and other criminal elements that threaten the public and world security is an ever-increasing requirement. Participation at the public and global levels is the pinnacle of sincerity in broadening the sharing of monetary knowledge among domestic and foreign partners from both the public and commercial sectors.

CHAPTER 03 METHODOLOGY

This investigation is intended to identify the issues associated with disproportionate improvement in the shop of commercial business banks as a result of money laundering. Many studies have been conducted with the assistance of great professionals. In any event, problems are expected to arise as a result of the use of a commercial firm or financial institution for illegal tax evasion.

This chapter describes the study strategy, which includes primary data, money laundering interviews, and three critical stages of data collection: process identification, process analysis, and process assessment. Research projects are often large undertakings that take a long time to finish. A research technique is used to guide the researcher through the steps necessary to successfully navigate the issue. A research process is a series of interrelated phrases that support the overall project. In contrast, the research process is not linear. The researcher should think back to previous stages and review previous work, making the process iterative rather than linear. These aspects of thought and study are essential for the creation of a high-quality research project (Boud et al. 1994).

Research Design

The illuminating research strategy will be employed for this review. Creswell (1994) demonstrated that the appealing research strategy is to collect data on the present dynamic state to describe the nature of the fascinating inquiry. The emphasis is on presentation rather than judgement. Or unencrypted. The unique process is quick and cost-effective. Furthermore, this concept provides for an adaptive methodology in the event that new important difficulties occur as a result. If any issues surface during the review period, a more thorough investigation might be conducted. Because of its versatility, the observation method is valuable; this technique may employ subjective or quantitative information, or both, offering the specialist additional alternatives in selecting the instrument to gather data.

Philosophy of Research and Quantitative Research

The deductive hypothetical research approach based on determinism theory is used in this study. Previous work is used to explain and support my notion, which will be assessed. When it comes to addressing a large audience, quantitative tactics are extensively used and applauded. A strategy was used in this study to collect consistent data for mutually related variables and to highlight the link between the variables used in this research.

Analytical Integrity

Achieving unity of analysis in any study is one of the most important parts of research. The following study's unit of analysis may include people from diverse groups, organisations, cultures, and so on. Employees in money laundering firms will be the study's units of analysis since our research shows that all of these characteristics are human-related. Employees who were damaged by the initiatives were utilised as units of analysis to evaluate the programmes' performance.

Research Strategy

In general, research technique relates to how business research is performed (Bryman and Bell, 2007). In general, subjective research and quantitative methods are divided into two ways. A quantitative information retrieval approach focuses on quantitative connections between variables. Quantitative data collection technologies build connections between conscious elements. When using these procedures, the scientist is frequently separated by testing, and the ultimate result lacks configuration. The quantitative apparatus is primarily composed of estimation, numbers, and understanding. A precise explanation of the collection and verification of information is required when using these instruments. It is a more precise depiction of uniqueness.

Subjective methodologies, as opposed to quantitative procedures, generate verbal data rather than numerical attributes (Polgar & Thomas, 1995). In lieu of a quantifiable exam, the subjective process employs content or substantial investigation; inductive rather than perceptive inquiry is employed to interpret and analyse exploratory discoveries. The quantitative screening strategy's major concern is that these measurements are genuine, dependable, and can be summarised assuming clear conditions and logical outcomes (Cassell and Symon, 1994). Expressive in nature, a quantitative technique for the specifics of exploratory hypotheses and stated observationally employing a huge body of substantive data (FrankfurtNachmias & Nachmias, 1992). A logical theory is useless in a quantitative approach. This means that the analyst's personal thinking, emotional tendencies, and preconceptions have no bearing on the scanning procedure. This review uses quantitative methods due to the sensitive nature of the subject.

Data Collection

There are two types of data gathering methods: primary and secondary.

Primary Data Collection

The main information was gathered without the assistance of others; as a result, it is more robust and current. Decide what sort of data you want to acquire first, and then utilise the exploratory tactics to collect that data.

- Surveys and Questionnaires
- Interviews

Secondary Data Collection

This information was gathered from a secondary sources, such as journals, website records, annual reports, and newspapers; hence, it may not be appropriate or up to date.

For this study, I will utilise primary data. The questionnaire created is the most significant component of the research thesis, and it is the foundation of the entire research thesis.

Sampling

The probability approach and the non-probability approach are the two most important methods of sampling.

Probability approach

A probability test is a form of investigation approach that employs random selection. To use a random selection methodology, you must create an interaction or method that assures that each entity in your population has an equal probability of being chosen. People have long experimented with different sorts of infrequent testing, such as drawing a name from a hat or losing out.

Non-probability approach

The sample units in the example where they chose objects have a low probability of getting picked, and certain units from the target struck in the example may not have a chance at all. Non-probability tests are classified into several sorts, including B. Intentional Examples, Standard Examples, and Master Tests. The data is gathered using non-likelihood comfort test methods. This strategy is appropriate for my inquiry. The relationship between the major Caribbean financial hubs has been established.

Data Collection Limitations

There were some limitations to the review. The sample size was limited. Because the respondents merely completed the survey, the external factor control technique was insufficient. Our is a vast and contentious issue, and this research is confined to unlawful taxation. Avoidance and examination of tasks

Data analysis

As a case study, the Caribbean's major financial centres were chosen. The poll was constructed with numerous aspects in mind in order to discover commercial banks' policies and strategies in the fight against tax evasion.

Interview questions for pilot testing

The literature on research methodology backs up the advantages of pilot testing (Bryman and Bell, 2011, Saunders et al., 2012). The researcher utilised the first participating organisation's interviews as a pilot, assessing and remarking on the effectiveness of the interviews and the material acquired. Following the initial interview, it was discovered that the questions were asked in the expected order but that a few more questions were asked. As a result, the interview was brief and devoid of substance. This knowledge was gained by listening to the interview recording and identifying gaps that were not apparent during the interview because the emphasis was on the process (e.g., completing the interview, list of questions, managing time, and ensuring the proper operation of control equipment) rather than the Quality of the information received. The second interview saw improvements in Quality and procedure as the interviewer gained confidence in the method and mechanics of the interview. Subsequent interviews were examined similarly, and the lessons learned from each were applied to the following interview. This process of reflection and refining enhanced the interview process, with the following interviews benefiting from the review process. One of the most significant enhancements was substituting a mind map for the linear list of questions. The mind map incorporated the primary questions and potential follow-up questions, and the visuals proved to be more user-friendly and adaptable for the interviewer.

Examining Interview Data

There are several approaches to assessing qualitative data. The techniques employed must be rigorous, thorough, and well-founded for the analysis to be trustworthy and the process to be obvious to spectators (Matthews and Ross 2010). The process of quantitative analysis cannot be planned ahead of time. It must instead adopt a more situational approach that adapts to the nature of the data as it is acquired. Thematic analysis, which searches for patterns and variables in data, was used to evaluate interview transcripts (Saldaa 2015). Yin (2011) lists pattern matching as one of the four prominent analytical strategies for qualitative data analysis. The thematic analysis aims to categorise data to be better understood before being analysed (Matthews and Ross 2010).

The themes used to categorise the qualitative data were influenced by the literature research, organised using a concept map, and changed as examined. The subjects' iterative nature as additional individuals were added to the list; previously analysed transcripts had to be reanalysed to guarantee that every transcript was examined. Utilising the same set of criteria.

Ethics

When performing a research study, research theory highlights the need to consider ethical considerations. Bryman and Bell describe the top four areas of ethics as participant injury, lack of informed consent, violation of privacy, and fraud (2011). The researcher adhered to the University of Manchester's rules and ethical procedures to avoid these difficulties. After following the prescribed procedure, the University of Manchester gained ethics permission to conduct the survey research. Because the permission was restricted to a small sample, a request to increase the sample was allowed. This enabled the questionnaire to be sent to a broader group of project management experts.

All participants signed a permission form, either on paper, over the phone, or online. Participants acknowledged that they had been told about the objective and nature of the study, that they had participated willingly, and that their replies would be kept secret. Throughout the project, particular care was taken to prevent ethical difficulties, and none were discovered.

Conclusion to the Chapter

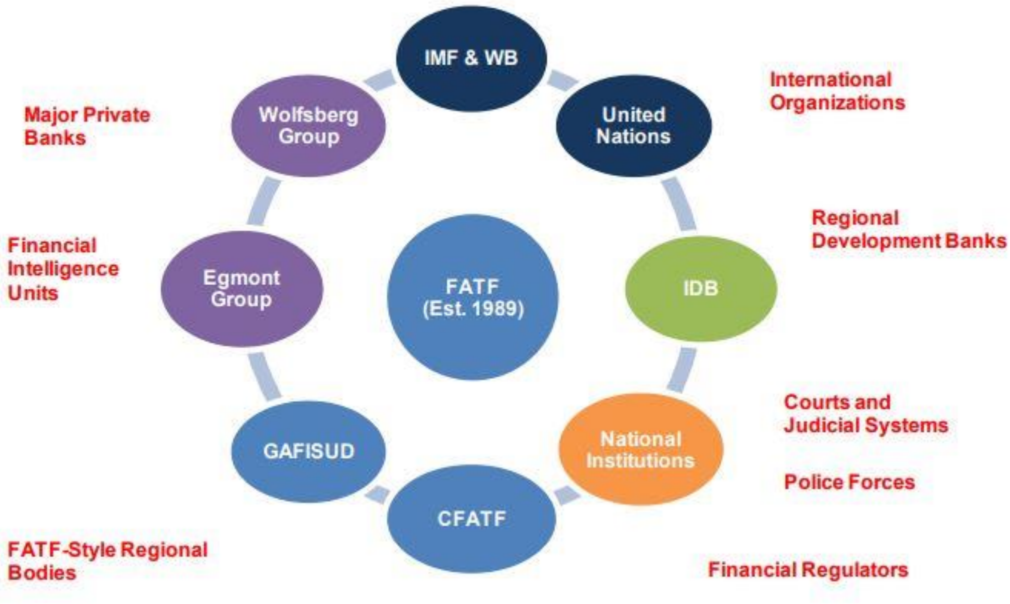
This chapter outlined and discussed the research approach employed in this study. The chapter detailed the chosen approach and the step-by-step methods used to fulfil the study objectives utilising the main method (interviews). The significance of research reliability and validity, in general, was emphasised, and the steps taken to guarantee that this research was valid and reliable were reviewed.

CHAPTER 04 RESULT & DISCUSSION

The worldwide community against money laundering

The reality of these infractions, as well as the consequences for money-related balance and international security, has fueled a long-standing desire to wage battle against these scourges. These paintings now demand not only the support of economic controllers, cops, and tribunals but also the global neighbourhood as a whole. As a result, certain International Organisations, as well as public and multilateral economic foundations, have recently issued directives to join efforts to combat illegal tax evasion and the aiding of mental torture.

The global-local level, which includes the United Nations and other international organisations such as the World Bank (WB), International Monetary Fund (IMF), and provincial development banks, as well as the FATF and territorial aid agencies, plays a critical role in combating illegal tax evasion and developing procedures and rules to ensure public coherence. When combined with master meetings of private sectors, such as the Wolfsberg and Egmont groups, and public foundations, such as currency controllers and authorised and legal bodies, global efforts to prevent illegal tax evasion and support psychological oppression necessitate a complicated responsibility and composition of various artists.



Source: Authors' own elaboration.

Financial Action Task Force (FATF)

The G7 established the Financial Action Task Force (FATF) in July 1989 with the particular goal of planning and promoting compliance with global measures to fight tax evasion. The FATF is made up of 34 districts and two local federations that deal with the majority of global monetary methods. Currently, eight territorial meetings engage in formal FATF meetings as partners, while worldwide associations have eyewitness status. The Basel Committee was admitted as a member in October 2008. The team's major focus was on spreading best practices in the fight against tax evasion, which was incorporated into forty recommendations and recently updated with nine principles against assisting unlawful intimidation. Six primary suggestions were allocated from the (40+9) recommendations, with 10 others identified as essential recommendations.

The 40 recommendations to combat tax evasion detail:

a) the scope of illegal tax avoidance within a country's general legal system, as well as the need to incorporate preventive and embargo measures into existing administrative regulations;

b) the measures to be carried out and invoked by monetary foundations and non-monetary organisations to prevent illegal tax evasion (counting the client on an appropriate level of investment approaches, definition, and detailing

c) The fundamental institutional framework to be used, including the significance of skilled professionals and their distinct abilities and assets

d) worldwide collaboration, which involves a reasonable commitment to participate in joint lawful support, elimination, and diverse forms of involvement.

FATF RECOMMENDATIONS AND GOOD PRACTICES (40 + 9) RECOMMENDATION
(2003 RECOMMENDATIONS AND 2004 AMENDMENTS)

Core Recommendations	Key Recommendations	Special Recommendations
• R.1. Money laundering criminalization • R.5. Customer due diligence • R.10. Record keeping • R.13. Suspicious transactions report • SR.II. Criminalizing the financing of terrorism and associated money laundering • SR.IV. Reporting suspicious transactions related to terrorism	• R.3. Confiscation and provisional measures • R.4. Financial institution secrecy laws • R.23. Supervision • R.26. Financial intelligence units • R.35. International instruments • R.36. Mutual legal assistance • R.40. Other forms of international cooperation • SR.I. Ratification and implementation of UN instruments • SR.III. Freezing and confiscating terrorist assets • SR.V. International cooperation	• SR.I. Ratification and implementation of UN instruments • SR.II. Criminalizing the financing of terrorism and associated money laundering • SR.III. Freezing and confiscating terrorist assets • SR.IV. Reporting suspicious transactions related to terrorism • SR.V. International co-operation • SR.VI. Alternative remittance • SR.VII. Wire transfers • SR.VIII. Non-profit organizations • SR.IX. Cash couriers

Source: Authors' elaboration based on www.FATF-GAFI.org.

Furthermore, the unique proposals to prevent support for illegal bullying include a pledge to:

- ratify and implement key United Nations instruments;
- criminalise offences related to supporting illegal intimidation, demonstrations, and militant psychological groups;

- issue an ordinance to deal with the potential freeze of resources for alert exercises;
- establish strategies to announce dubious exchanges; and
- ensure the possibility of cooperation with other countries.
- Maintain all elective frameworks for asset transfers based on FATF Principles and Proposals, particularly the need for know-your-customer agreements;
- take clear precautions to ensure that the customer makes a reasonable effort in banking transactions;
- review the legal obligation to register non-administrative associations to prevent them from being used to divert assets to psychological militancy exercises; and
- establish control strategies for the control of omissions.

The United Nations Security Council has published a revised set of recommendations in response to increased concerns about funding for authoritarian psychological organisations and the spread of weapons of mass destruction. Goal 1617 of the United Nations Security Council calls on the globe area to follow the (40 + 9) proposals to combat unlawful tax evasion and the financing of psychological warfare as soon as possible. The FATF replied by developing guidelines for implementing important objectives in each of its sub-areas. The Security Council consistently passed Resolution 2178 at its session on September 24, 2014, with the goal of taking more serious support for the risks of psychological militants throughout the world. The resolution also banned protests, travelling abroad to fight for radical groups, and the registration or sponsorship of these militant psychological organisations.

The (40 + 9) FATF Recommendations have been supported by 180 national governments as well as the boards of international financial institutions such as the IMF, World Bank, Asian Development Bank, and African Development Bank. The Paris Declaration of 2002 was critical in awarding permission to states deemed undesirable in the battle against FATF tax evasion. Following that, a list of recognised nations was provided, and those nations were required to try their utmost to repeal the resolution from the abstract. The FATF can continue to discriminate between non-participating nations and checks the development of the rooms on a regular basis. In reality, the FATF raised worry about specific nations at its October 2008 conference, notably their commitment to helping oppose support for psychological oppression.

Under his leadership, the FATF has four key objectives:

a) review and clarification of the Global Principles (40 + 9 Recommendations);
b) supporting the implementation of the recommendations; and
c) identifying and developing sufficient solutions to new risks of tax evasion. and supporting unlawful bullying; and
d) worldwide local collaborative networks with various persons.

The mission was continually extended through 2020 during the FATF Ministerial Meeting in April 2012, focusing on the FATF's work as a worldwide body that establishes standards for efforts to address unlawful tax evasion, psychological warfare finance, and the duplication of weapons of mass destruction. The expanded command reinforces the process of tight functional participation with the global-local area and strengthens collaborative cooperation with FATF-style regions. At the same time, the Global Network Coordination Group (GNCG) was formed, another functional gathering to foster collaboration between the FATF and regional FATF-style entities, as well as an arena for individuals to share best practices.

The FATF's primary responsibility is to assess conformity with global criteria in a continuous cycle for each local party. Create strategic rules for reviews on a regular basis to ensure that each review follows an acceptable strategy. The FATF has led these assessments from its creation, gathering a group of professionals whose role it is to lead the mutual evaluations and help them in the execution of the (40 + 9) Recommendations. The availability of surveys distributed in advance to professionals in each nation is part of the review interaction. So before evaluating one another, assessors are informed of established ways. Consultations with official experts, as well as relevant private monetary and non-monetary sector offices and associated specialists, will take hold throughout the country's visit. Following the visit, the Advisory Group will write a mutual evaluation report with the assistance of the FATF Technical Secretariat. The most recent report has been presented to the FATF Assembly for consideration and approval.

In 2011, the FATF completed the third round of consistency evaluations for each of its 34 subdistricts; however, some people continue to utilise an older system. Distinguish the districts with deficiencies in their controls to avoid illicit tax evasion or psychological warfare financing, taking into account the assistance provided to these nations to minimise these risks and maintain the strength and security of local space globally. In practice, the relevance of a list of non-cooperation nations enabled more than twenty venues to acquire the FATF's assistance and considerably develop their strategies to combat currency anomalies.

The FATF made a substantial commitment by amending and adopting another set of proposals in February 2012, following a joint conference series involving FATF-style regional groups and other global observers such as the United Nations, World Bank, and IMF. The guidelines on combatting money laundering, terrorism funding, and proliferation coordinate the preceding proposals (40 + 9) and strive to improve legislation and promote coherence. new and developing dangers to the currency area's stability

Fighting the oppressor's fear-based support is especially important in the current world scenario. Mechanisms to support oppressors and combat tax evasion and fear have been incorporated into the new Recommendations, swapping the requirements for a number of Special Recommendations; Section C, on the other hand, employs a unique approach to combating the financing of psychological warfare and the proliferation of weapons of mass destruction. The 2012 Recommendations will be used consistently in the next fourth round of mutual evaluations.

The fourth round of mutual assessments will be conducted in two re-authoritative parts together, following a modified philosophy centred on a designated risk-based approach: a technical conformity assessment to quantify the degree of conformance with the amended principles and an effectiveness check, which will depend on It is dependent on the reviewers' opinions, taking into consideration the public situation and the amount of risk realised. The examination of a country yields two sets of ratings: Specialized Compliance (compliant to not compliant) and Viability (high to not compliant, low). In late 2013, the fourth phase of mutual evaluations began with assessments from Australia, Belgium, Norway, and Spain.

Regional organisations comparable to the FATF

Compliance with the FATF Recommendations (40 + 9) is often dependent on the assistance of so-called FATF Style Regional Bodies (FRBs). In distributing data and preparing advisers to execute evaluation methods, these provincial assemblies function similarly to the FATF in each of their distinct districts. Individual mutual evaluations are conducted at these gatherings in Africa, Asia, the Caribbean, Europe, and South America, with provinces defined. This new cycle enables FSRBs to transition to extreme measures as soon as feasible and contribute to the development of standards and best practices. Another significant commitment made by the FSRBs was to help countries in creating legislation and policies that adhere to global values. They also teach court officials and currency area animators to verify that these requirements are followed correctly. Its principal objective as a member of the FATF is to undertake sub-building mutual evaluations to detect projected weaknesses in their public insurance policies and to assist governments in locating the appropriate instruments to resolve them.

Countries in Latin America and the Caribbean are members of the Caribbean Financial Action Task Force (CFATF or GAFIC in Spanish) or the South American Financial Action Task Force against Money Laundering (GAFISUD). Some groups also participate directly as FATF members. 33 Assessments have been conducted with the full assistance of the IMF through its Financial Sector Assessment Program (FSAP) at times and with the full support of the IMF.WB at other times. The third phase of reciprocal assessments by CFATF and GAFISUD for all Latin American and Caribbean states concluded in 2013 with the receipt of Saint Martin's report.

The Egmont Group

The conclusion that illicit tax evasion involves, for the most part, criminal collecting actions in numerous countries led to a conference of 34 FIUs convening in Brussels, Belgium, in 1995 to form the Egmont Group, named after the area of their first meeting in the castle Egmont Aremberg. Since then, the Egmont Group has convened formally on a yearly basis and is now supported by a Technical Secretariat located in Canada. This has enabled the company to create adequate data trading platforms while also driving best practices and preparedness. Due to the sensitive nature of data sharing between persons, minimum requirements for FIUs seeking to participate have been established, as has a strategy for a rigorous consolidation procedure for individuals. The Egmont Group presently manages 108 nations with FIUs, which have been separated into five working meetings to successfully complete further capabilities. Tax evasion or psychological warfare finance.

The Wolfsberg Group

The Wolfsberg Group formed as an urge from eleven banks across the world 35 to widen the strategic advice of avoiding unlawful tax evasion and helping psychological oppression in the money management sector, reflecting on the business's attributes and aiming to limit its dangers. The Egmont Group gets its name from the location of their most famous conference, Schloss Wolfsberg in Switzerland, where they convened to create rules of procedure to avoid illicit tax evasion by private financial institutions Activities. Since then, the Wolfsberg Group has produced a number of reports to prevent illegal tax avoidance, including Anti-Money Laundering Principles for Correspondent Banking, Hostile to Money Laundering Guide for Mutual Funds and Other Pooled Investment Vehicles, Direction on a risk-based approach to managing money laundering risks, and the Terrorist Financing Suppression Explanation in response to legislative action by the FATF and the Egmont Group. The Wolfsberg Group issued an anti-downgrade declaration in 2007, followed by a filing in 2011 that recognised some of the activities monetary foundations might take to avoid payments and misrepresentations. Similarly, the group is presently working on SWIFT 36. Organisations to combine protections in SWIFT communications to secure the global payment system.

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