



ON APRIL 4, 2019

# WORKSHOP "SUSPICIOUS TRANSACTIONS REPORTING"

RIGA BUSINESS SCHOOL, ALUMNI AUDITORIUM, SKOLAS STREET 11, RIGA



## SANDA LIEPIŅA

CEO, FINANCE LATVIA ASSOCIATION









#### **Agenda**

Agenda	
Session I	
9:00 - 9:10	Welcome, Introductions and Overview
9:10 – 9:35	Legal Basis for Investigating Red Flags of Potentially Suspicious Transactions and Recent Regulatory Actions
9:35 – 10:00	STR Safe Harbor and Confidentiality
10:00 – 10:45	Identification of Unusual Activity Interactive Working Session: Identifying Red Flags
10:45 – 11:00	Break
11:00 – 11:45	Investigating Potentially Suspicious/Illegal Transactions Documenting the STR Decision Making Process
11:45 – 12:30	STR Preparation Monitoring and STR Filing on Continuing Activity
12:30 – 13:00	How Law Enforcement Uses STRs in Investigations
13:00 – 13:15	Record Retention
13:15 – 14:00	Lunch
Session II	
14:00 – 15:15	Interactive Working Sessions: Drafting Quality STRs Drafting Investigative Plans Using STR information
15:15 – 15:30	Break
15:30 – 16:45	<b>Interactive Working Session:</b> Understanding the Importance of Tying the STR Process Together between the Banks and Law Enforcement



## Development

The industry adheres to the highest International standarts and provides competitive, modern and European facing financial services to support the growth of the economy

## **Technology**

Latvian financial industry is agile and using Technology to enable access for European customers

## Compliance

Achieving the highest antimoney laundering and combating the financing of terrorism (AML/CFT) compliance standards among member banks within the next 2 to 3 years

**Vision:** Latvian financial industry pursues broad partnerships and leads in innovation in Europe



## EMERGING LANDSCAPE-FINANCE & CORPORATES

Regulatory &
risk assessment
requirements for
corporates and their
counterparties and
supply chains

Transparency

The Highest AML/CFT standards

Sustainability

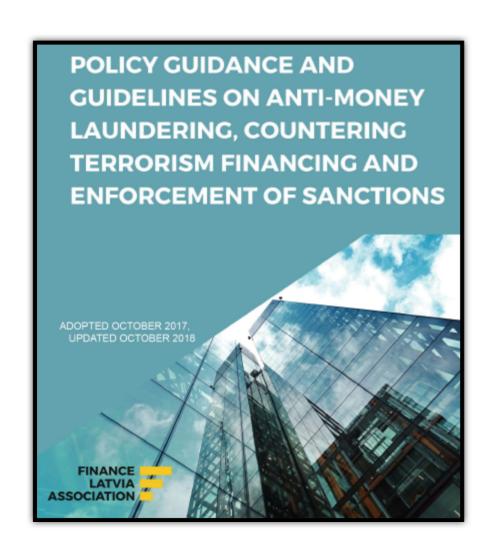
Universal banks

Specialized
Financial Service
Providers

Cooperation with other FinTechs

Open to new technologies





What banks are doing to prevent misuse of Latvian financial sector for money laundering, terrorist financing and other illicit purposes

FINANCE LATVIA ASSOCIATION

**APRIL, 2018** 

#### What Businesses Need to Know about International Sanctions Policy





JUNE, 2018

#### 1. What are sanctions?

Sanctions are restrictive measures set in accordance with public international law. Sanctions are imposed by an international organisation or a country on another country or on other subjects of international law (such as terrorist organisations, groups facing allegations of war crimes).













Zero tolerance to financial crime

Meaningful cooperation with law enforcement and FIU The FIU should have a lead in regards to ML/TF

On the same page with TAX3 committee's report on EU FIU and more strict EU level regulation on ML/TF to end regulatory arbitrage

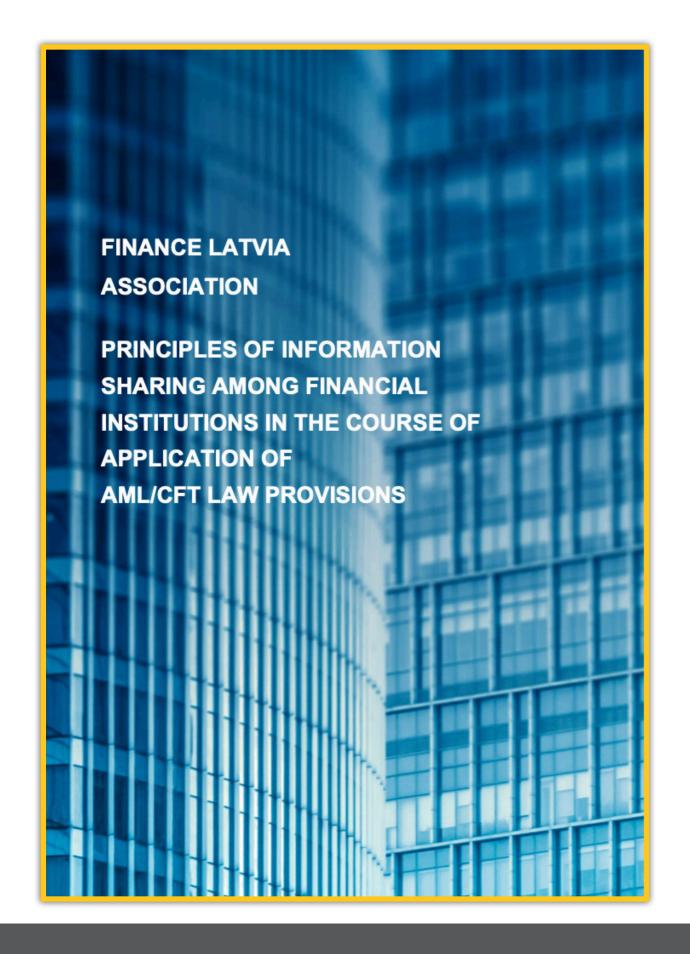
Ending
transactional
business model
and stop
considering Latvia
as a Regional
financial center



### MAIN CHALLENGES

- STRs are filed to the FIU only, other agencies access them directly in order to meet their needs, not only follow the FIU's focus. Thus, several channels of filing STRs can be eliminated
- Detailed feedback is important, it motivates and also helps to look for similar patterns throughout the sector
- Filing a STR is not enough, closer public-private cooperation and prompt reaction is needed to stop illicit funds. Avoid defence-reporting, focus on Catch'n'Freeze





- Voluntary information sharing platforms make STRs more focused, usable, and effective
- Safe harbour provisions to facilitate public-private information sharing are of utmost importance



# **VOLUNTARY INFORMATION SHARING - LATVIAN EXPERIENCE**

- Within FIU Coordination Platform (UK JMLIT model): applies to any obliged entity and law enforcement if they are willing to share information, to cooperate
- Within State Revenue Service (SRS): «bank SRS», analytical work before filing STR, finding suspicious activities by cooperation, data exchange. Tax related money laundering
- Both help to investigate (public sector gain) and mitigate risk in advance (private sector gain), and all together help to fight financial crime



## MAKING STR MEANINGFUL AND BENEFICIAL FOR LAW ENFORCEMENT

- Finance Latvia Compliance Committee has established a good collaboration with Latvian FIU
- Regular Finance Latvia and Latvian FIU monthly meetings on typologies and improvement of reporting (STR and UTR) and reducing defensive reporting
- Discussions on setting up the most robust and comprehensive reporting framework (Latvian FIU centric preferably)
- New STR Template has been proposed for consultation by Latvian FIU
- Finance Latvia will collaborate with Latvian FIU in order to improve STRs meaningfulness and direct application in further investigations (significant reduction of defensive reporting should be achieved)



## Thank you!

**TRANSPARENCY** 

**PARTNERSHIP** 

**ACCOUNTABILITY** 

# NAVIGANT





Managing Director Co-Head Global Investigations and Compliance London/Washington, D.C.



#### **ANNE MARIE MINOGUE**

Senior Director Navigant Consulting's Global Investigations & Compliance Practice New York





ON APRIL 4, 2019

# WORKSHOP "SUSPICIOUS TRANSACTIONS REPORTING"

RIGA BUSINESS SCHOOL, ALUMNI AUDITORIUM, SKOLAS STREET 11, RIGA