



AML LEGISLATION AT NATIONAL LEVEL






CH – 5 KYC/AML PART A

5.1 Overview of AML Legislation Across Nations

While most countries have adopted international AML/CFT (Anti-Money Laundering/Countering the Financing of Terrorism) standards, their national legislations vary significantly due to social, political, and economic factors. This section outlines AML frameworks in key regions.

5.2 COUNCIL OF EUROPE CONVENTIONS (CE)

 Convention	 Key Measures	 Impact
European Convention on the Suppression of Terrorism (1977)	Defined specific acts as non-political, facilitating extradition	Enhances international cooperation in prosecuting terrorists
European Convention on Laundering, Search, Seizure & Confiscation of Proceeds from Crime (1993)	Criminalizes laundering proceeds of crime, allows confiscation	Strengthens legal framework for financial crime prevention
EU Anti-Money Laundering Directives (1990-2020)	Customer due diligence, transaction	Establishes stringent compliance rules for financial institutions




	monitoring, STR reporting	
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5.3 AML Laws in The United States US



 Legislation	 Key Provisions	 Impact
Bank Secrecy Act (1970)	Record-keeping, reporting obligations, KYC	Helps track suspicious transactions & prevent money laundering
Money Laundering Control Act (1986)	Defines money laundering as a federal crime	Criminalizes structuring of transactions
Anti-Drug Abuse Act (1988)	Expands reporting to real estate & car dealers	Strengthens tracking of illicit financial flows
Annunzio-Wylie AML Act (1992)	Mandates Suspicious Activity Reports (SARs)	Enhances oversight of wire transfers & reporting duties
Money Laundering Suppression Act (1994)	Requires banks to improve AML training	Enhances monitoring & law enforcement collaboration
Money Laundering & Financial Crimes Strategy Act (1998)	Establishes High-Intensity Financial Crime Areas (HIFCA)	Focuses AML efforts on high-risk zones
USA PATRIOT Act (2001)	Criminalizes terrorism financing, enhances CDD, bans shell banks	Improves financial intelligence & regulatory compliance

Intelligence Reform & Terrorism Prevention Act (2004)	Requires reporting of cross-border wire transfers	Strengthens oversight of international transactions
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 **Summary Table: Key AML Legislations Across Regions**

 Region	 Key AML Laws	 Focus Area
Europe	EU AML Directives, Council of Europe Conventions	Extradition, confiscation, financial institution regulations
USA	Bank Secrecy Act, USA PATRIOT Act	Transaction monitoring, terrorism financing prevention
Asia-Pacific	APG AML/CFT Framework	Regional compliance & enforcement
Caribbean	CFATF AML Measures	Strengthening cross-border cooperation

 **Explanation of Difficult Terms**

 Term	 Explanation
KYC (Know Your Customer)	A process used by banks to verify the identity of customers
SAR (Suspicious Activity Report)	A report filed by financial institutions when unusual transactions occur
CDD (Customer Due Diligence)	A detailed verification process for identifying customers & their transactions

Shell Bank	A bank that exists only on paper, used for illicit financial activities
HIFCA (High-Intensity Financial Crime Area)	A designated region where financial crimes are prevalent & require extra law enforcement focus

📌 **Final Thought:** Effective AML legislation ensures financial integrity, strengthens global cooperation, and protects economies from illicit financial flows. 💰 🔍 📁

🌍 AML/CFT Legal Frameworks in the UK & Australia 🏛️ 🚨

📌 5.4 The United Kingdom GB

- ✅ UK has a robust AML/CFT framework under four key laws. 📄 💰
- ✅ Includes regulations for financial & non-financial sectors. 🏛️ 🔍
- ✅ Covers crypto assets, customer due diligence, & terrorist financing. 🚓 🏠

📄 Key UK AML/CFT Laws & Their Roles

🏛️ Law	📄 Purpose	🔍 Key Features
Proceeds of Crime Act 2002 (Amended 2013 & 2015)	Seizure & confiscation of criminal proceeds	Criminalizes money laundering

Money Laundering Regulations 2007	AML measures for financial & non-financial sectors	Covers auditors, tax advisors, real estate agents, casinos
Terrorism Act 2000 (Amended multiple times)	Counter-terrorism financing	Prohibits fundraising & training for terrorism
Money Laundering, Terrorist Financing & Transfer of Funds Regulations 2017 (Amended 2019)	Strengthens AML risk assessments	Extends scope to crypto-assets, mandates enhanced due diligence

📌 **Example: UK casinos must follow strict AML regulations to prevent money laundering.**

📌 5.5 Australia AU

✅ **Australia's AML/CFT laws focus on risk-based compliance.**




✅ **AUSTRAC (Australian Transaction Reports & Analysis Centre) oversees enforcement.** 🏛️ 🚓

✅ **Businesses must register, conduct due diligence & report suspicious transactions.** 💰 🏠




📄 Key Australian AML/CFT Regulations

 Law	 Purpose	 Key Features
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AML/CTF Act 2006	Core AML/CFT law	Covers financial institutions & designated businesses
AML/CTF Rules Instrument 2007	Procedural requirements	Establishes customer due diligence & reporting
AML/CTF (Iran Countermeasures) Regulation 2014	Special provisions for Iran transactions	Prohibits high-risk transactions with Iran

 **Example: Australian banks must report large cash transactions over AUD 10,000 to AUSTRAC.**

 **Final Summary Table**

 Country	 Main AML/CFT Laws	 Key Focus Areas
United Kingdom GB	Proceeds of Crime Act 2002, Terrorism Act 2000, Money Laundering Regulations 2017	Seizure of illegal funds, enhanced due diligence, crypto regulations
Australia AU	AML/CTF Act 2006, AML/CTF Rules Instrument 2007, Iran Countermeasures Regulation 2014	AUSTRAC reporting, risk-based compliance, international countermeasures

 **Explanation of Difficult Terms**

 Term	 Explanation
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AUSTRAC	Australia's financial intelligence agency for AML/CFT enforcement.
Crypto-Asset Regulations	Laws covering digital currency exchanges & crypto transactions.
Enhanced Due Diligence (EDD)	Additional checks for high-risk customers & transactions.
Risk-Based Approach (RBA)	Applying AML measures based on risk level.