

AML outcomes for breaches of anti-money laundering rules

other than the Money Laundering Regulations 2007 and 2017

Case Name	Firm or Individual	Date of Outcome	Press Release	Breaches	Outcome
Sindicatum Holdings Limited	Firm	29/10/2008	FSA fines firm and MLRO for money laundering controls failings	Breach of Principle 3 and of SYSC 3.2.6 R, by failing to take reasonable care to establish, operate and maintain effective systems and controls for countering the risk that the firm might be used for money laundering or other financial crime.	Financial penalty of £49,000 (reduced by 30% for stage 1 settlement, without the discount the fine would have been of £ 70,000).
Michael Wheelhouse	Individual	29/10/2008	FSA fines firm and MLRO for money laundering controls failings	Breach of Statement of Principle 7 for failing to ensure that Sindicatum Holdings Limited implemented the anti-money laundering and client identification and verification procedures contained in its AML Handbooks dated 2004 and 2006.	Financial penalty of £17,500 (reduced by 30% for stage 1 settlement, without the discount the fine would have been £25,000).
2 Minds Mortgages Limited	Firm	04/03/2010	https://www.fca.org.uk/publication/final-notices/2_minds_mortgages_ltd.pdf	Including by failing to have in place systems and controls against money laundering, instead its arrangements could have facilitated ML.	Cancellation of the permission granted to 2 Minds (Part IV permission).
Sarfraz Mohammed	Individual	04/03/2010	https://www.fca.org.uk/publication/final-notices/sarfraz_mohammed.pdf	Lack of honesty and integrity, including obtaining a mortgage for himself which was based on false and misleading information about his income and employment.	Prohibition from performing any function in relation to any regulated activity carried on by any authorised person, exempt person or exempt professional firm.
Alpari (UK) Limited	Firm	05/05/2010	http://webarchive.nationalarchives.gov.uk/20130202071920/http://www.fsa.gov.uk/pages/library/communication/pr/2010/077.shtml	Breach of Principle 3 for failing to have in place adequate AML systems and controls.	Financial penalty of £140,000 (reduced by 30% for stage 1 settlement, without the discount the fine would have been £200,000).
Sudipto Chattopadhyay	Individual	05/05/2010	http://webarchive.nationalarchives.gov.uk/20130202071920/http://www.fsa.gov.uk/pages/library/communication/pr/2010/077.shtml	Breach of Statement of Principle 7 for failing to ensure that Alpari 's business complies with the relevant requirements and standards of the regulatory system, including to ensure that Alpari had adequate processes and procedures in place for assessing the money laundering and financial crime risks that it was exposed to.	(1) Financial penalty of £14,000 (reduced by 30% for stage 1 settlement, without the discount the fine would have been £20,000). (2) Undertaking that no application to be approved for controlled functions CF10 and CF11 at any authorised person, exempt person, or exempt person professional firm for a period of three years.
Sedley Richard Laurence Voulters	Firm	13/12/2010	http://webarchive.nationalarchives.gov.uk/20130201213831/http://www.fsa.gov.uk/library/communication/pr/2010/176.shtml	Breach of Principles 1 and 3. The firm was instructed by Natrocell Shareholders Limited ("NSL") to assist with a fund raising by receiving and dispersing money through its client bank accounts. To assist with the fundraising NSL used share fraud operators, known as "boiler rooms". The profile of a number of the recipients of monies from the client bank accounts operated and managed by the firm represented a high risk in terms of money laundering as they were corporate vehicles incorporated in offshore jurisdictions with bank accounts in jurisdictions which may have not had anti-money laundering controls that are equivalent to those operating in the UK.	Financial penalty of £163,140 (reduced by 30% for stage 1 settlement, without the discount the fine would have been £229,140).
Laurence Warren Finger	Individual	13/12/2010	http://webarchive.nationalarchives.gov.uk/20130201213831/http://www.fsa.gov.uk/library/communication/pr/2010/176.shtml	Breach of the Statements of Principle 6 and 7, including by failing to take reasonable steps to ensure that the AML processes at the firm complied with the relevant requirements and standards of the regulatory system.	(1) Prohibition from performing the function of MLRO carried on by any authorised person, exempt person or exempt professional firm. (2) Withdrawal of the approval to perform the controlled function of CF11 at Sedley Richard Laurence Voulters. (3) Financial penalty of £35,000 (reduced by 30% for stage 1 settlement, without the discount the fine would have been £50,000).
Paolo Maranzana	Individual	13/12/2010	http://webarchive.nationalarchives.gov.uk/20130201213831/http://www.fsa.gov.uk/library/communication/pr/2010/176.shtml	Mr Maranzana was knowingly concerned in the contravention by the firm of Principle 1 .	(1) Prohibition from performing the function of MLRO carried on by any authorised person, exempt person or exempt professional firm. (2) Financial penalty of £105,00 (reduced by 30% for stage 1 settlement, without the discount the fine would have been £150,000).

Nazia Bi	Individual	14/10/2011	https://www.fca.org.uk/publication/final-notices/nazia_bi.pdf	Breach of Statement of Principle 6. Even though Ms Bi was approved to perform the controlled function of CF1 Director (AR) on behalf of 2 Minds in relation to Edward Estates and she was the company Secretary of Edward Estates, she stated she had no knowledge of the regulated activities of 2 Minds or Edward Estates or of her responsibilities as an approved person and abrogated her responsibilities by delegating them to Mr Mohammed.	(1) Financial penalty of £45,000 (following the decision of the Upper Tribunal). (2) Withdrawal of the approval to perform the controlled function of CF1 Director (AR). (3) Prohibition from performing any function in relation to any regulated activity carried on by any authorised person, exempt person or exempt professional firm.
Habib Bank AG Zurich	Firm	04/05/2012	http://www.fsa.gov.uk/library/communication/pr/2012/055.shtml	Breach of Principle 3 for failings to maintain adequate AML systems, including procedures for assessing the level of risk posed by prospective and existing customers, and to conduct enhanced due diligence for higher risk customers.	Financial penalty of £525,000 (reduced by 30% for stage 1 settlement, without the discount the fine would have been £750,000)
Syed Itrat Hussain	Individual	04/05/2012	http://www.fsa.gov.uk/library/communication/pr/2012/055.shtml	Breach of Statement of Principle 7 – failed to ensure that Habib Bank took reasonable steps to ensure that it had adequate AML procedures.	Financial penalty of £17,500 (reduced by 30% for stage 1 settlement, without the discount the fine would have been £25,000)
Coutts & Company	Firm	23/03/2012	http://www.fsa.gov.uk/library/communication/pr/2012/032.shtml	Breach of Principle 3 for serious, systemic and long lasting failings to maintain effective AML systems and controls in relation to high risk customers, including politically exposed person (PEPs). Including failing to gather sufficient levels of enhanced due diligence, and to monitor appropriately.	Financial penalty of £8,750,000 (reduced by 30% for stage 1 settlement, without the discount the fine would have been £12,500,000)
Turkish Bank (UK) Ltd	Firm	02/08/2012	http://www.fsa.gov.uk/library/communication/pr/2012/081.shtml	Breach of the ML Regs in relation to the Firm's correspondent banking arrangements (providing banking services to an overseas bank for that overseas bank's customers. Failed to maintain appropriate AML policies, carry out adequate due diligence on, and ongoing monitoring of, the respondent banks it dealt with.	Civil penalty of £294,000 (reduced by 30% for stage 1 settlement, without the discount the fine would have been £420,000)
EFG Private Bank Ltd	Firm	28/03/2013	https://www.fca.org.uk/news/press-releases/fca-fines-efg-private-bank-%C2%A342m-failures-its-anti-money-laundering-controls	Breach of Principle 3 for serious, systemic and long lasting failings to maintain effective AML systems and controls in relation to high risk customers, including politically exposed person (PEPs). This included failure to gather sufficient levels of enhanced due diligence, and to monitor appropriately.	Financial penalty of £4,200,000 (reduced by 30% for stage 1 settlement, without the discount the fine would have been £6,000,000)
Guaranty Trust Bank (UK) Limited	Firm	08/08/2013	https://www.fca.org.uk/news/press-releases/fca-fines-guaranty-trust-bank-uk-ltd-%C2%A3525000-failures-its-anti-money-laundering	Breach of Principle 3 for failing to establish and maintain effective AML systems and controls in relation to high risk customers including those customers deemed to PEPs, including Enhanced Due Diligence.	Financial penalty of £525,000 (reduced by 30% for stage 1 settlement, without the discount the fine would have been £750,000)
Standard Bank PLC	Firm	22/01/2014	https://www.fca.org.uk/news/press-releases/standard-bank-plc-fined-%C2%A376m-failures-its-anti-money-laundering-controls	Failing to comply with Regulation 20(1) of the ML Regulations and other relevant Regulations particularly anti-money laundering ("AML") controls over its commercial banking activities, including in connection with PEPs.	Civil penalty of £7,640,400(reduced by 30% for stage 1 settlement, without the discount the fine would have been £10,914,900).
Bank of Beirut (UK) Ltd	Firm	04/03/2015	https://www.fca.org.uk/news/press-releases/financial-conduct-authority-imposes-%C2%A321m-fine-and-places-restriction-bank-beirut	Breaches of Principle 11 because it failed to deal with the Authority in an open and cooperative way and to disclose to the Authority information of which it would reasonably expect notice. The firm misled the FCA in relation to addressing concerns about its financial crime systems and controls, relating to acquiring customers from high-risk jurisdictions.	(1) Financial Penalty of £2,100,000 (reduced by 30% for stage 1 settlement, without the discount the fine would have been £3m). (2) A restriction for a period of 126 days from 4 March 2015 in respect of its regulated activities only (that Bank of Beirut may not acquire new customers that are resident or incorporated in high risk jurisdictions). The restriction was
Michael John Allin (Internal	Individual	04/03/2015	https://www.fca.org.uk/news/press-releases/financial-conduct-authority-imposes-%C2%A321m-fine-and-places-restriction-bank-beirut	Breaches of APER 4 for failing to deal with the Authority in an open and cooperative way and failing to disclose appropriately to the Authority information of which it would reasonably expect notice, relating to improvements the Firm had said it would make.	Financial Penalty of £9,900 (reduced by 30% for stage 1 settlement, without the discount the fine would have been £14,100).

Anthony Rendell Boyd Wills	Individual	04/03/2015	https://www.fca.org.uk/news/press-releases/financial-conduct-authority-imposes-%C2%A321m-fine-and-places-restriction-bank-beirut	Breach of APER 4 for failing to deal with the Authority in an open and cooperative way and failed to disclose appropriately to the Authority information of which it would reasonably expect notice, relating to improvements the Firm had said it would make.	Financial Penalty of £19,600 (reduced by 30% for stage 1 settlement, without the discount the fine would have been £28,000).
Steven Smith	Individual	12/10/2016	https://www.fca.org.uk/news/press-releases/fca-imposes-penalties-sonali-bank-uk-limited-money-laundering	Mr Smith was the MLRO of Sonali Bank and found to have been in breach of Principle 6 and knowingly concerned in the Firm's breach of Principle 3.	(1) Financial penalty of £17,900 (reduced by 30% for stage 1 settlement, without the discount the fine would have been £25,600); and (2) Prohibited from performing the MLRO or compliance oversight functions at regulated firms.
Deutsche Bank AG	Firm	31/01/2017	https://www.fca.org.uk/news/press-releases/fca-fines-deutsche-bank-163-million-anti-money-laundering-controls-failure	Breach of Principle 3 in relation to failing to have adequate AML systems and controls in place in relation to the formation of new customer relationships and the booking of global business in the UK. Also breaches of SYSC 6.1.1R and 6.3.1R. These failings allowed the front office of Deutsche Bank's Russia-based subsidiary to execute more than 2,400 pairs of mirror trades for a 2 year period from April 2012 to October 2014. The purpose of the mirror trades was the conversion of roubles into US dollars, and the covert transfer of those funds out of Russia.	Financial penalty of £163,076,224 (reduced by 30% for stage 1 settlement, without the discount the fine would have been £229,076,224) The fine comprised disgorgement of £9.1m in commission that the firm generated from the suspicious trading (the 30% discount did not apply to this).