

FCA Fines Ghana International Bank Plc £5.8m for Failings in Its Anti-Money Laundering Controls

<https://www.fca.org.uk/news/press-releases/fca-fines-ghana-international-bank-5.8m-failings-aml-controls>

The Financial Conduct Authority (FCA) has fined Ghana International Bank Plc (GIB) £5.8m for failings in its poor anti-money laundering and counter-terrorist financing controls relating to its correspondent banking activities. The FCA requires banks to carry out extra checks on firm's correspondent banking customers to reduce the higher risk of money laundering and terrorist financing associated with the service. Between January 2012 and December 2016, the bank did not perform these additional anti-money laundering checks as required. Furthermore, GIB failed to undertake annual reviews of the information it held relating to its correspondent banks. GIB also failed to provide staff sufficient training on how to scrutinise transactions correctly and lacked sufficient policies and procedures for staff.

Whilst no evidence of actual money laundering was detected, the FCA considered the risk of money laundering as a result of these deficient systems was significant.

The FCA continues to ensure that firms have adequate safeguards to prevent firms from being used for financial crime. FCA Executive Director, Mark Steward noted: *"Firms are gatekeepers of the financial system and have vital obligations to ensure they are not used to facilitate or perpetrate financial crime."* Ensuring firms strengthen their anti-money laundering controls and enforcing failures to comply remain high priorities for the FCA.

Key Takeaways for the Financial Service Industry

The 5th Money Laundering Directive has introduced mandatory enhanced due diligence (EDD) measures in relation to natural persons or legal entities established in, or business relationships and transactions involving, high-risk third countries. High risk third countries are defined as those appearing on the EU Third Country High Risk Jurisdiction list.

Firms should review its financial crime framework and challenge how firms are capturing information from the onset when onboarding new clients or dealing with correspondent banking firms. In addition to correspondent banking transactions, firms should have effective transaction monitoring processes in place to identify and protect the firm from perpetration of transactions through institution that may lead to money laundering and terrorist financing. Appropriate staff training should be provided on AML systems and controls to conduct proper checks for money laundering.

The FCA continues to seek more flexible information and intelligence gathering and robust systems and controls. Care and attention should be placed on the firm's money flows and EDD conducted. Firms must ensure its money laundering systems and controls are robust and can stand up to scrutiny, or potential criminal prosecutions will follow. Firms should enhance and regularly review its business wide risk assessments along with procedures on customer due diligence, enhanced due diligence and transaction monitoring.

How Can Newgate Help

Our Financial Crime Consulting Team are ready to assist your firm with tailored compliance policies, procedures and monitoring programme which comprise of AML Manuals, staff Affirmations and Financial Crime Risk Assessments. We also carry out carry out outsourced AML Assistance and independent audits.

Newgate offers a suite of online staff compliance training modules through our Gateway learning platform, including on Anti-Money Laundering and Sanctions. Contact us for

a free Demo.



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We look to build long-term relationships with our customers helping to encourage business growth, productivity and innovation. Our proactive approach is tailored to each customer's needs changing to meet those needs as the customer progresses and develops.

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