

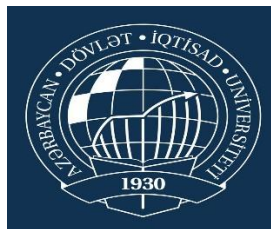
The Ministry of Education of Azerbaijan Republic

**Money Laundering and Combating Financing Terrorism. Bank
versus criminals. Laws regulation and still missing points.**

Gunel Garibova

UNEC SABAH

Azerbaijan State Economic University



JUNE 2018

Acknowledgements

During my bachelor thesis I have gained unforgettable experience. This work has been seen through to finish with the help and support of various individuals including my well-wishers, my companions, partners and different organizations. End of my work I might want to thank each one of those individuals who made this proposition conceivable.

I would like to thanks dean of the Sabah faculty of Azerbaijan State University of Economics- Aida Quliyeva for providing me this opportunity.

Special thanks goes to my guide- Asif Azizov who is show me way. Without his support, guidance and persistent help this thesis wouldn't be possible.

I would also like to thanks my groupmate -Firangiz Quliyeva for encourage me.

Abstract

Money Laundering and Combating Financing Terrorism. Bank versus criminals. Laws regulation and still missing points.

Gunel Garibova

Sabah2_Accounting2

Supervisor: Asif Azizov

Anti-money laundering enactment has turned into a noteworthy worldwide issue, with countries and associations under strain to follow and consent to strict control measures set up. The overall volume of money laundering is drastically extensive. Quick advancement in innovation, correspondence and globalization prompted visit stream of enormous measure of monetary resources.

The aim of the bachelor thesis is to illustrate about anti-money laundering attempts which they are identified with the authenticity and he effectiveness of the anti-money laundering policies. This proposal gives a reflection on the evaluations of worry that trigger approach creators in the field of wrongdoing battling. The purpose is to have idea missing points anti-money laundering efforts.

Contents

ACKNOWLEDGEMENTS.....	2
ABSTRACT	3
1. INTRODUCTION.....	5
2. LITERATURE REVIEW.....	8
3. METHODOLOGY.....	23
4. DATA GATHERING / ANALYSIS	24
5. CONCLUSION.....	54
BIBLIOGRAPHY	55

1. Introduction

Money laundering, which is contrasted the returns from criminal movement, by giving them once again into the authentic money related circuit, can take various structures. Bank tasks still assume a primary part for money laundering. Likewise exchange ground money laundering through phony bills for fares and imports is on the expansion.

Roughly \$2 trillion is washed every year and everybody is paying the cost. Banks have immense senator overheads. Associations and customers experience dispute to open a ledger, exchange supports or give guideline a legal counselor. In the vicinity of 2% and 5% of overall GDP (\$800 billion-\$2 trillion) is lost every year through anti-money laundering, as indicated by processes from the United Nations Office on Drugs and Crime. Banks overall spend generally \$8 billion on hostile to anti-money laundering (AML) similarity every year, as indicated by examine firm Wealth Insight. They have likewise burned through \$321 billion in punishments since 2008 for senator failings, running from money laundering and fear monger financing to advertise control, says the Boston Consulting Group.

Money laundering is a fundamental issue governments everywhere throughout the world are confronting. Money laundering causes some greatest money laundering cases. For instance, in 2012, HSBC beguiled £1.2 billion for having invalid money laundering controls. US Senate was affirmed that HSBC had different things, for example, if managing an account administrations and American dollars to a few banks in Saudi Arabia despite the fact that they have connection with fear based oppressor financing, cunning constraints made to forestall exchanges including Iran, North Korea and different nations obligated to worldwide approvals. Supervision issues like these allowed the washing of an assessed £5.57 billion over no less than seven years. HSBC could enter a five-year put off indictment agreement or DPA, which is fundamentally similar to

being on post trial supervision. In the event that the US government had squeezed charges against HSBC, it could have lost its US dollar permit. Another illustration was happened Standard Chartered bank in 2012. The British bank Standard Chartered was faulted, by New York's Department of Financial Services (DFS), of supporting the Iranian government to dodge US money launderings controls around £191.8 billion sum more than 10 years. The bank paid a common fine of £262 million out of 2012 by the DFS and the US Department of Justice for disappointments in its hostile to money laundering controls and for encroaching US endorses on Iran, Burma, Libya and Sudan. It at that point needed to pay more £232 million in common fines in 2014 by the DFS for the bank's interior controls neglecting to signal exchanges. This appeared from the controller esteeming that the bank had not enhanced its frameworks after guarantees in the 2012 settlement. It was likewise obligatory to stop positive exercises, for example, leaving unequivocal high-chance clients at its United Arab Emirates branch.

Money laundering which is essentially the cash earned by criminal exercises that the state won't permit, it is known as a worldwide issue. Issues, dangers caused by money laundering would be affects on monetary of nations, private areas, and money related divisions, for example, budgetary frameworks, financial foundations. Despite the fact that the money related part assumes essential part in the financing of the lawful economy, it can be an ease technique for culprits who needs laundered their plan of action. Money laundering can be reason of undermine the dependability of monetary markets, likewise money laundering can be harm the fame of money related organizations incorporated into the anticipating coming about to a misfortune in conviction and generosity with invested individuals. Money laundering additionally diminishes impose salary as it turns out to be difficult for the administration to accumulate wage from related exchanges which over and over occur in the underground economy.

The principle target of the FATF hostile to money laundering strategies is to forestall money laundering is that ensuring the respectability and steadiness of the global budgetary framework, removing the assets accessible to psychological oppressors, and making it more troublesome for those occupied with wrongdoing to benefit from their criminal exercises.

The United Nations (UN) has attempted various endeavors, to a great extent as worldwide bargains, to battle psychological warfare and the systems used to fund it. Indeed, even before the September eleventh assault on the United States, the UN had set up the International Convention for the Suppression of the Financing of Terrorism (1999) The troublesome issue for a few nations is characterizing fear based oppression. Not the greater part of the nations that have embraced the tradition concur on particularly what activities constitute fear based oppression. The importance of psychological oppression isn't generally acknowledged because of huge political, religious and national ramifications that vary from nation to nation. FATF, which is additionally perceived as the universal standard setter for endeavors to battle the financing of fear based oppression (CFT), does not particularly characterize the term financing of psychological oppression in its nine Special Recommendations on Terrorist Financing (Special Recommendations) created following the occasions of September 11, 2001. In any case, FATF urges nations to confirm and actualize the 1999 United Nations International Convention for Suppression of the Financing of Terrorism. Consequently, the above definition is the one most nations have embraced for motivations behind characterizing fear monger financing

The essential reason for this proposal is to clarify what missing focuses have hostile to money laundering approaches. That is the reason we do research missing point against money laundering arrangements in our banks through the

study. To demonstrate the likelihood of increment money laundering that reason by missing focuses.

2. Literature Review

Money laundering has a great number of definitions. According to the Financial Action Task Force on Money Laundering (FATF), which is accepted as the international norms defined for anti-money laundering (AML) efforts, the term of the “money laundering” recognized in a short way as “is the processing of these criminal proceeds to disguise their illegal origin” (FATF, 2018) To the Georgia money laundering is “the process of turning the proceeds of crime, ”dirty” money, into “clean money ”through a series of transactions to make them look like originating from a legitimate source.” (Farrugia, 2003) Another definition of money laundering is “any act or attempted act to conceal or disguise the identity of illegally obtained proceeds so that they appear to have originated from legitimate sources” (INTERPOL, 2018)” “Although the proceeds of crime will be kept as capital for further criminal ventures, the sophisticated offender will wish to use the rest for other purposes. If this is to done without running a risk of detection, the money which represents the proceeds of the original crime must be "laundered"” (McClellan)

The objective of an extensive number of criminal acts is to produce a benefit for the individual or gathering that completes the demonstration. From the point of view of the criminal, it is no utilization making a vast benefit from criminal exercises if that benefit can't be put to utilize. An extent of the benefit will in all likelihood be re-put into encourage criminal endeavors, yet the criminal will frequently wish to utilize the rest for different purposes. In the event that this is to be managed without being distinguished the cash must be 'laundered'. Money laundering can be depicted as the preparing of these criminal continues to camouflage their illicit inception. It must be put into a state in which it has a

completely respectable cause. On the off chance that this demonstration is completed effectively it enables the offenders to keep up control over their returns and at last to give an honest to goodness cover to their wellspring of pay. Money laundering assumes a basic part in maintaining a strategic distance from undesirable consideration from the experts these sudden riches brings from illicit exercises. Nonetheless, this does not imply that all crooks need to turn to these intricate plans keeping in mind the end goal to make the impression of authenticity of the source and responsibility for resources. Little time crooks once in a while do, they bargain in real money and maintain a strategic distance from monetary foundations however much as could be expected. Indeed, even in bigger criminal exercises the need to launder cash will differ from nation to nation. It is likely that in wards that have present day law implementation procedures in which the reallocation of the returns of wrongdoing is used both as a hindrance and as a type of discipline, money laundering avoidance plans are probably going to be depended on with more noteworthy recurrence than somewhere else. One of the numerous issues with money laundering is that it implies diverse things in better places. This is on the grounds that exclusive continues of wrongdoing, or criminal lead, can be laundered. Additionally, numerous nations have confined the order of wrongdoings that are viewed as fundamental violations for money laundering purposes. Thus, in a few nations any direct which, if a man were indicted would prompt a sentence of detainment will be viewed as a predicate wrongdoing, while in others just offenses identifying with drugs trafficking are to be viewed as making 'dirty money'. A further bend is that a few nations will enable a man to be indicted for laundering the returns of criminal direct abroad, gave the lead would have been criminal direct in the two nations.

Money laundering is a single process however it includes three steps process which is placement stages, layering stages, integration stages.

Step of placement you put illegal cash into the financial institutions, through deposit or different ways. At this step money got from criminal operation is mixed into the financial framework. To depositing money to the financial institutions which is can be move or control simply it helps placement do the funds liquid. At the point when lawbreakers are in physical ownership of money that can straightforwardly connect them to predicate criminal lead, they are at their generally powerless. Such culprits need to put the money into the budgetary framework, more often than not using financial balances, with a specific end goal to initiate the laundering procedure. This is the main stage in the laundering cycle. Money laundering is a "money concentrated" business, producing tremendous measures of money from illicit exercises. The monies are set into the money related framework or retail economy or are snuck out of the nation. The points of the launderer are to expel the money from the area of obtaining in order to maintain a strategic distance from discovery from the experts and to then change it into other resource frames; for instance: voyagers checks, postal requests, and so forth. (FATF, 2018)

Layering is the way toward isolating the returns of criminal action from their source using a wide range of strategies to layer the assets. These incorporate utilizing different banks and records, having experts go about as middle people and executing through companies and trusts, layers of complex budgetary exchanges, for example, changing over money into explorer's checks, cash orders, wire exchanges, letters of credit, stocks, securities, or obtaining significant resources, for example, workmanship or adornments. Every one of these exchanges is intended to camouflage the review trail and give secrecy. Layering more often than not includes a perplexing arrangement of exchanges intended to shroud the source and responsibility for reserves. When money has been effectively set into the budgetary framework, launderers can take part in a boundless number of complex exchanges and exchanges intended to camouflage

the review trail and in this way the wellspring of the property and give secrecy. One of the essential targets of the layering stage is to befuddle any criminal examination and place however much separation as could reasonably be expected between the wellspring of the evil gotten picks up and their present status and appearance. Regularly, layers are made by moving monies all through the seaward financial balances of conveyor share shell organizations through electronic assets' exchange. Given that there are more than 500,000 wire exchanges – speaking to in abundance of \$1 trillion – electronically surrounding the globe every day, a large portion of which is honest to goodness, there isn't sufficient data revealed on any single wire exchange to know how perfect or messy the cash is, hence giving an amazing method to launderers to move their filthy cash. Different structures utilized by launderers are mind boggling dealings with stock, ware and fates merchants. Given the sheer volume of day by day exchanges, and the high level of secrecy accessible, the odds of exchanges being followed is immaterial. (Kehoe, 1996)

It is the phase at which laundered assets are reintroduced into the honest to goodness economy, seeming to have started from an honest to goodness source. Integration is the last phase of the procedure, whereby criminally inferred property that has been put and layered is returned (coordinated) to the genuine monetary and money related framework and is acclimatized with every single other resource in the framework. Integration of the "cleaned" cash into the economy is expert by the launderer influencing it to seem to have been lawfully earned. By this stage, it is exceedingly hard to recognize lawful and unlawful riches. Not all money laundering exchanges experience this three-arrange process. The three essential stages may happen as discrete and particular stages or may happen all the while or, all the more usually, they may cover. Exchanges intended to launder assets can for instance be affected in maybe a couple stages, contingent upon the money laundering strategy being utilized. How the essential

advances are utilized relies upon the accessible laundering instruments and prerequisites of the criminal associations. (Morris-Cotteril, 2010)

One of the most profitable microeconomic impacts of money laundering is felt in the private part. Money launderers frequently utilize front organizations, which blend the returns of illicit operation with authentic assets, to conceal the evil gotten picks up. Now and again, front organizations can offer items at costs underneath what it costs the producer to create. Along these lines front organizations have an upper hand over real firms that draw capital assets from money related markets. This makes it troublesome, if certainly feasible, for honest to goodness business to contend with front organizations with financed subsidizing, a circumstance that can bring about the swarming out of private part business by criminal associations. The administration standards of these criminal endeavors are not steady with customary free market standards of authentic business, which brings about further negative macroeconomic impacts Money related foundations that depend on the returns of wrongdoing have extra difficulties in enough dealing with their advantages, liabilities and tasks. For instance, huge entireties of laundered cash may touch base at a budgetary foundation yet then vanish all of a sudden, without see, through wire moves because of non-showcase factors, for example, law implementation tasks. This can bring about liquidity issues and keeps running on banks. Criminal movement has been related with various bank disappointments around the world, including the disappointment of the primary Internet bank, the European Union Bank.

Banks are powerless to dangers from money laundering on a few fronts. There is today a little advance between a monetary foundation presuming that it is being utilized to launder cash and the organization winding up criminally included with the movement. Banks that are found to launder cash are most sure to confront costs related with the consequent loss of business and lawful

expenses. Banks and their executives confront the danger of criminal indictment for money laundering whether they know the assets are criminally inferred or not. As a general rule, bank executives are unconscious that their organization is being utilized to launder cash. Normally a worker plotting with a criminal will bypass the bank's store strategies to launder cash. In any case, the bank is as yet at risk for the activities of its representatives. It is hence fundamental that banks embrace and implement the new legitimate methodology in store taking and keep tight controls on staff prone to be helpful to money laundering.

Money laundering affects on financial system. Financial system which is well-working is an essential supporter of economic improvement. Destroy the capacity and respectability of the financial system when the utilization of the financial system to develop criminal purposes, for example, money laundering and terrorist financing. Controlling of the bank is the successful method to achieve aim of international companies. One of negative effects is the costs of anti-money laundering at financial institutions. Expenses to depositors, destabilization of the money related framework, and expenses to the citizens are however the undeniable and measurable expenses of such exercises. Alternate outcomes of money laundering and terrorist financing on financial systems likewise can't be overlooked. For instance, if a bank or another budgetary organization is shut around experts as a result of a high volume of seized or appropriated stores of grimy cash, or on the grounds that assents are connected against the monetary foundation because of the dedication of money laundering or fear based oppressor financing criminal offense, this can absolutely enormously affect the money related framework in a specific nation. Criminals looking for to launder their funds and to finance terrorist operations take in intentional operations of misleading bank officers and other financial market professionals, such as insurance and safety mediator. This corruption destroys

the trust in the financial market and collapsed into other forms of criminality, such as trickery and bribery.

Organization for Economic Cooperation and Development (OECD) recognized that danger of money laundering which prompted the consenting to of about 1,300 arrangements of respective trade of data between 34 nations that it speaks to. Developing countries between years of 2010-2012 fought for anti-money laundering and against 1.4 billion worth of actives that plundered nations. Land operators, legal counselors, cash trade foundations, and trust and friends specialist organizations are the few favored methods for passage for money laundering offenders which both the general population and private segments have neglected to stop. Besides the controllers and the OECD nations, banks have begun putting intensely in their consistence divisions. The six biggest banks have seen their consistence expenses twofold from USD 34.7 billion to USD 70.1 billion as a result of securing new assets to battle financial crime. A current study by KPMG has brought into light that banks assess the danger of AML consistence developing year on year. The crooks, then again, are moving strategies at a fast pace by advancing into loaning, clubhouse betting, manhandle of discretionary pockets, land, exchange financing, misrepresentation, and phony invoicing to spread the danger of money laundering in an offer to stay away from the regions which are under generally investigation.

Money laundering doesn't impact only on the banks but also has its effect on the economy, society and governance.

We have realized that money launderers need to put resources into legal organizations or advantages for launder their assets. They frequently exchange cash crosswise over wards to make layers of money related exchanges to darken the review trail. The two practices have genuine macroeconomic ramifications.

Money launderers pick their speculations, not to get the most elevated rate of return but rather to maintain a strategic distance from recognition. The outcome is that they regularly put that a lot of cash in less-gainful exercises, as long in that capacity exercises give chances of maintaining a strategic distance from identification. This has suggestions for the effectiveness and profitability of both residential and world economies. What's more, tax criminals move their cash all through wards, now and then quickly, to darken the review trail. The quick development of a lot of cash all through a nation can destabilize little creating economies

There are huge social expenses and threat related with money laundering. Money laundering is a procedure essential to making wrongdoing beneficial. It permits sedate traffickers, bootleggers, and different crooks to grow their tasks. This drives up the cost of government because of the requirement for expanded law authorization and social insurance consumptions to battle the genuine outcomes that outcome. Among its other negative budgetary effects, tax evasion trades fiscal power from the market, government, and occupants to offenders. Also, the sheer degree of the fiscal impact that assembles to evildoers from tax evasion defiling influences all parts of society. In phenomenal cases, it can provoke the virtual accept control of good old fashioned government, which enables the wrongdoers to have a political impact upon the country The money related and political effect of criminal affiliations can weaken the social surface, total good benchmarks, and finally the only establishments of society. In countries advancing to dominant part control structures, this criminal effect can undermine the change. Most in a general sense, tax evasion is indistinguishably associated with the major criminal activity that created it. Washing enables criminal activities to continue. Corruption is an unavoidable issue in numerous creating nations. It is presently settled that great administration is an essential for financial advancement. Government incomes seriously required in these

nations for economic improvements frequently end up in ledgers in major budgetary bases on the world. This couldn't be accomplished without dependence on money laundering systems and without careless officers of money related establishments. A well-working anti- money laundering framework makes it troublesome for degenerate authorities to exile their evil gotten reserves. It likewise enables such subsidizes to be repatriated in situations where they have been stored abroad. This is on account of anti- money laundering measures make channels of data that assistance to follow the escaping reserves. They likewise empower participation among law authorization officers in various nations.

The concealment of illegal wealth from the state has existed throughout history. According to historian Sterling Seagrave who is writer of book “Lords of Rim” approximately 3000 years ago, merchants hid all their wealth from the governor in China. They were afraid of that their assets and income which they get from trade would be taken by governor. He composes that the legislature is extremely doubtful of trader exercises since they are vicious, oblivious, and take after different standards. What's more, dealers' incomes have brought about an extensive number of dark showcasing, blackmail and bribery. The imperceptible vendors could shield their riches from industrious affront by civil servants. In this way, the techniques used to change over cash into effortlessly transferable resources and to pull back cash from business have been utilized. This system is as yet utilized by numerous money launderers.

At that point in the mid seventeenth century, the Catholic Church announced against the inconvenience of usurious rates and thought of it as a mortal sin, convincing dealers and moneylenders to devise an assortment of activities that in the end turn into the models of present day strategies for concealing, moving and laundering criminal cash. Keeping in mind the end goal to mask their advantage profit they charged higher costs or expanded trade rates.

As indicated by legend, the term money laundering was begun in 1920's amid the time of denial in the United States. The sorted out lawbreakers in the United States got incredibly engaged with the beneficial liquor carrying industry and for legitimizing their benefits they began consolidating their benefits with the benefits from administrative business. In any case, as per Robinson, the term was first utilized as a part of 1973 in connection with the Watergate embarrassment. He says this case depicts the money laundering superbly in spite of its beginning, all things considered the messy or unlawful cash was put through a progression of exchanges and the cash seems spotless or legitimate at the opposite end.

The primary law that can be depicted as "anti-money laundering," was the Bank Secrecy Act, ordinarily known as the BSA. (The expression "anti money laundering" particularly refers to all approaches and bits of enactment that power budgetary organizations to proactively screen their customers with a specific end goal to avert money laundering and defilement. These laws additionally require both that money related establishment report any budgetary wrongdoings they find and that they do everything conceivable to stop them) Money laundering enactment started in the United States in 1970 with the entry of the Bank Secrecy Act ("BSA") in light of the developing money income of composed wrongdoing, especially the movement in unlawful medications. The BSA forces recordkeeping and detailing necessities on budgetary establishments and global explorers. Budgetary establishments are required to record Currency Transaction Reports ("CTRs") at whatever point an individual behaviors at least one trade exchanges out a solitary day which include an aggregate or more than \$10,000. Consistence and authorization were generally careless until the mid-1980s. By 1984, when common punishments for BSA infringement were expanded from \$1,000 per infringement to \$10,000, yearly CTR volume was just a couple of hundred thousand, well underneath full consistence level.

Indeed, even with moderately low consistency levels by monetary organizations with the BSA, tax criminals grew new procedures to stay away from discovery through CTRs. "Organizing" or "Smurfing" (Smurfs - A well known strategy used to launder trade out the arrangement organize. This procedure includes the utilization of numerous people (the "Smurfs") who trade unlawful assets for exceptionally fluid things, for example, explorer checks, bank drafts, or saved straightforwardly into investment accounts. These instruments are then given to the launderer who at that point starts the layering stage.) includes part substantial money stores into different littler stores to stay away from the \$10,000 CTR announcing edge. Launderers additionally started to move their laundering to clubhouse and to put their trade out land, organizations and high esteem shopper products. Complex frameworks of front organizations were set up to legitimize high dollar bank stores. Also, in a determinedly low-tech implies around the BSA, launderers turned to carrying expansive amounts of money over the fringe (frequently for later transmittal once again into the U.S. by wire exchange).

Another main thing of enactment is the Money Laundering Control Act of 1986, which profited laundering a government wrongdoing. This enactment was altered a few times until the point that it accomplished the frame laid out in Title 18 of the U.S. Code, in segments 1956 (Laundering of fiscal instruments) and 1957 Established money laundering as a government wrongdoing.

The fundamental power for encouraged all inclusive action to battle money laundering rose, as has been noted, out of a creating stress inside the world gathering over the issues of solution mistreat and unlawful trafficking. Before 1988 there were two main segments which maintained that attempt. In 1961 UN Single Convention on Narcotic Drugs, as redressed by the 1971 UN Convention on Psychotropic Substances and a 1972 tradition, which expands the possibility of worldwide supervision to a broad assortment of built medications.

Nonetheless it was step by step getting to be clear that these traditions were deficient to manage the scope of complex issues raised by present day worldwide medication trafficking. This brought about the 1988 Vienna Convention or the Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances. From that point forward this is currently generally perceived as constituting the establishment of the global lawful administration around there. The 1988 Convention gave a successful technique to counter present day worldwide medication trafficking combined with arrangements to furnish the law implementation group with the fundamental apparatuses to undermine the budgetary energy of the cartels and different gatherings. The Convention grasps removing the benefit from wrongdoing. Numerous States had just passed continues of wrongdoing enactment intended to return forfeitures of criminal benefits. The Convention gave this thought an intense lift and set another standard for hostile to money laundering endeavors by governments. (FATF, 2018)

Basic to the approach embraced to the issue of money laundering was the inconvenience, in Article, of a strict commitment for each taking an interest nation to criminalize a genuinely far reaching rundown of exercises concerning drug trafficking which have a noteworthy global effect. These range from creation and development through to the association, administration, and financing of trafficking tasks. Also, a similar article requires each gathering, to the degree that it isn't in opposition to its established standards and the fundamental ideas of its legitimate framework, to criminalize the procurement, ownership, or utilization of property, knowing at the season of receipt that it was gotten from tranquilize trafficking, and in addition intrigue, supporting and abetting, and encouraging the commission of medication trafficking offenses including money laundering. A large portion of the rest of the arrangements of the article are intended to guarantee that money laundering and other trafficking

offenses are treated with fitting reality by the legal and the prosecutorial specialists of each taking an interest state. Another significant component of the approach embraced in Vienna identifies with the subject of the seizure of the returns got from, and the instrumentals utilized as a part of, tranquilize trafficking. There was a sure level of adaptability included as a result of the need to represent the varying ways to deal with reallocation, which had advanced, in household enactment. However this was risky in that, in spite of the fact that the tradition welcomes gatherings to give unique thought to contributing such supports to intergovernmental bodies numerous states were pulled in by the possibility that the appropriation of continues is a decent method to influence law implementation to pay for itself. The Vienna Conference likewise acted to guarantee that the idea of bank mystery did not unnecessarily frustrate the scan for and the possible seizure of the benefits got from this type of criminal movement. This is essential since complex laundering plans ordinarily join some part of the insurance managed by strict principles of client secrecy. (FATF, 2018)

The Council of Europe is a local association set up to reinforce majority rule government, human rights, and the run of law in its part states, to some degree, by orchestrating its approaches and empowering the appropriation of regular practices and principles. It received the Strasbourg Convention in November 1990, which, similar to the Vienna Convention, requires each gathering to embrace enactment that criminalizes money laundering. As of December 1999, 27 of 41 part states and one non member (Australia) have confirmed the Strasbourg Convention. Not in any way like the Vienna Convention, this exchange doesn't confine the hidden predicate offense to medicate trafficking. The Strasbourg Convention expects individuals to receive laws criminalizing the laundering of the returns from any genuine wrongdoing. The settlement additionally expects signatories to embrace laws approving the relinquishment

of the returns of genuine offenses, and in addition any instrumentals of the wrongdoing, or in the option, the estimation of such property. Individuals must give investigative help to remote purviews with respect to relinquishment cases and take fitting measures to forestall transfer of subject property before appropriation. (FATF, 2018)

Table 1: History of Anti-Money Laundering Acts

1970	Bank Secrecy Acts
1986	Money Laundering Control Act
1988	Anti-Drug Abuse Act
1992	Annunzio Wylie Anti Money Laundering Act
1994	Money Laundering Suppression Act
1998	Money Laundering and Financial Crimes Strategy Act
2001	Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act
2004	Intelligence Reform & Terrorism Prevention

Various different laws have improved and changed the BSA to provide law requirement and administrative offices with the best devices to combat money laundering. A file of anti-money laundering laws since 1990 with their individual prerequisites and objectives are recorded underneath in sequential request. For example; Annunzio-Wylie Anti-Money Laundering Act (1992), Money Laundering Suppression Act (1994), Money Laundering and Financial Crimes Strategy Act (1998), Uniting and Strengthening America by Providing

Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001
Intelligence Reform & Terrorism Prevention Act of 2004 and etc. (ACT)

Because of expanding concerns, the legislatures of the Group of Seven (G-7) industrialized nations built up the Financial Action Task Force on Money Laundering (FATF) in 1989 as an intergovernmental body to create and elevate arrangements to combat money laundering. The FATF, involved individuals from 26 nations and two local associations, incorporates the major budgetary focuses of Europe, North America, and Asia and works both freely and in participation with different associations. One of the managing standards of the FATF is that money laundering constitutes a complex financial wrongdoing, which traditional law implementation techniques can't control successfully. In this manner, law implementation must work intimately with money related foundation administrators and controllers. In April 1990, the FATF issued a report containing prescribed counter-measures to money laundering. Normally known as the A Forty Recommendations, the FATF outlined these counter-measures to give governments an extensive structure for hostile to money laundering activity centered around the criminal equity framework and law requirement, the part of the budgetary segment and government controllers in combat money laundering, and the requirement for worldwide cooperation. The Forty Recommendations, overhauled and refreshed in 1996, energize the full usage of the Vienna and Strasbourg Conventions and the lifting of bank mystery laws. Methodologies energized the FATF incorporate the criminalization of the laundering of the returns got from all genuine wrongdoing, the relinquishment of property associated with a laundering offense or its relating esteem, the foundation of client distinguishing proof and record keeping standard, and the formation of monetary insight units. As a piece of its progressing endeavors to combat money laundering, the FATF gets ready yearly laundering typology reports and leads shared top to bottom assessments of each members against

money laundering administrations. Steady with its proceeding with oversight part and its endeavors to recognize key hostile to anti-money laundering shortcomings all through the world, the FATF affirmed a give an account of the issue of non-agreeable nations and domains in the worldwide exertion anti-money laundering. The report, embraced on June 22, 2000, named 15 nations and regions with fundamental issues demonstrating an absence of a genuine sense of duty regarding wiping out or essentially diminishing cash laundering. The wards (non-participating countries) either neglected to receive important enactment criminalizing laundering or have genuine lacks in their saving money laws and executing controls. By openly condemning these purviews, the FATF and its part nations trust that universal open weight will bring about against laundering changes. The rundown additionally filled in as an antecedent for nations with major money related focuses to issue formal warnings to its monetary foundations recognizing the dangers of directing budgetary exchanges with the wards on the rundown. Likewise, in July 200, the U.S. division of the Treasury issued such warnings on every one of the wards on the name and disgrace list. Because of the FATF's proceeding with endeavors to address anti-money laundering on a global scale, their suggestions have turned into the acknowledged worldwide standard for hostile to money laundering administrations. (FATF, 2018)

3. Methodology

In this part, I explained that what research question and methods I used. In order to answer the given research question- “How do the missing points in AML policies increase the probability of the ML in banks?” we have to determine certain data about missing points before to know how does effect probability of the money laundering in banks.

Comparative analysis methods research orientation will be applied during data collection process. Research will be carried out with the help of some Azerbaijan banks. Once selected participants confirm their consent to participate in the study, they will be provided with a prescheduled survey via email. Second step in the study will be interviews. Questions in the survey will not be offending and participants' anonymity will be protected.

4. Data Gathering / analysis

Financial crime, particularly money laundering, remains a mind boggling issue for monetary organizations to handle. All banks have Anti-Money Laundering (AML) frameworks set up, yet worldwide money laundering exchanges are still evaluated at 2 to 5 for each penny of worldwide GDP – US\$800 million and US\$2 trillion – however just 1 for each penny are seized by specialists. More than 25 for each penny of monetary administrations firms have not directed AML/CFT (Combating the Financing of Terrorism) chance evaluations over their worldwide impression – in this way, it is nothing unexpected that culprits are proceeding to discover escape clauses. To add to this, present frameworks are repurposed rather than bespoke, wastefulness breeds from being immersed with false positives, and another flood of information is adding to the proceeded with defenselessness of banks money laundering. By the by, as per Wealth Insight, worldwide AML spending is anticipated to ascend from US\$5.9 billion of every 2013 to US\$8.2 billion out of 2017 – promising another open door for banks to make more grounded hindrances to battle against these lawbreakers. Banks over the division introduced their current AML frameworks as a speedy, here and now response to expanding administrative weight. In this manner, most money related establishments have endeavored to repurpose retail bank AML or market mishandle framework models from an alternate period that aren't sufficiently complex for current prerequisites. These models offer a restricted

comprehension of hazard exposures that bank AML frameworks confront, and don't have the ability to recognize and follow up on suspicious conduct causing laundered cash to end up progressively unrecognized. Money laundering today includes a mind boggling web of organizations, people, exchanges, settlements and installments sorted out by low level people who store money into the keeping money framework in low volumes, which at that point is moved far and wide in extensive volumes. With customary strategies, essential identification happens at an exchange or record level in disengagement, without a comprehension of the more extensive setting encompassing individual movement. (Hutton, 2017) Thus, refined money launderers are evading being distinguished. Banks and financial organizations must act and comprehend the more extensive picture of individual movement with a specific end goal to decrease their powerlessness to illicit action. This web is being made more unpredictable by the expansion in associated gadgets; by 2020, specialists anticipate that there will be in excess of 50 billion associated gadgets over the world, raising reason for worry for banks as lawbreakers will have the capacity to convey and conceal their action. Organizations must utilize this information for their advantage, to comprehend the mind boggling web that encourages budgetary hoodlums. The enormous number of false positives hailed by current AML frameworks is ostensibly the greatest disadvantage for banks in their endeavors to combat money laundering. Layered organization structures, as a rule crosswise over universal systems, makes it extraordinarily troublesome for banks to characterize certain AML exchange checking frameworks (TMS) prerequisites that distinguish chance at a satisfactory level of false positives. While trying to abstain from missing any potential criminal action, current TMS signal questionable connections that aren't exhaustively associated, running from two individuals living at a similar address, a similar school or a similar name. As of now 90 to 95 for each penny of cautions are false positives, yet examiners are lawfully obliged to research, paying little heed to authenticity, because of the

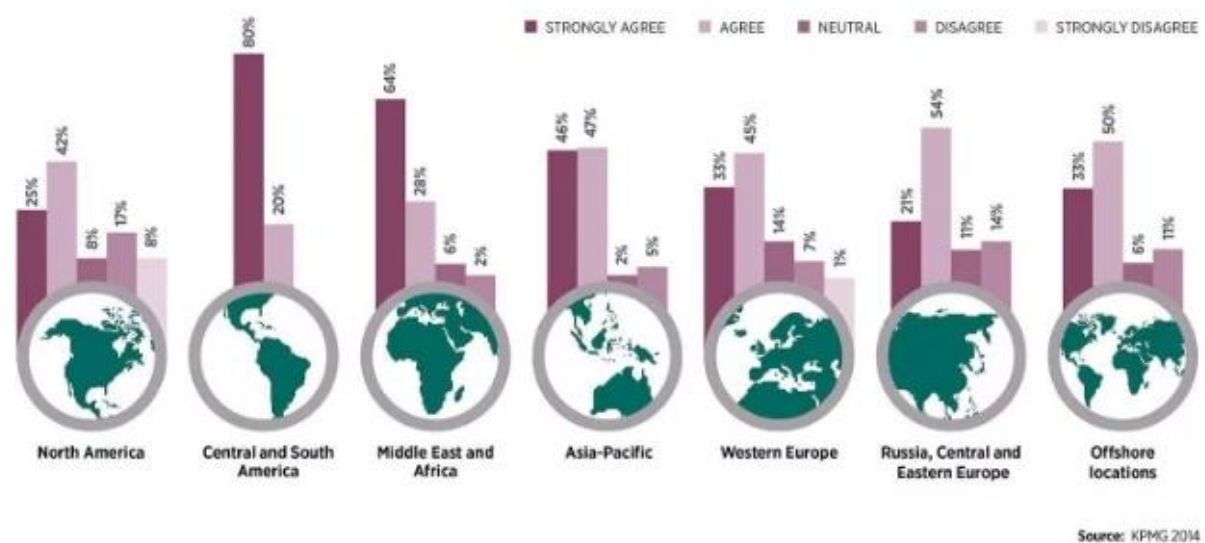
dread of eye watering fines. These examinations are work and cost-escalated, keeping banks in a defenseless position as they keep on wasting time exploring false positives and making it more difficult to spot instances of genuine unlawful movement. Keeping in mind the end goal to address these vulnerabilities, banks need to take a crisp, current way to deal with their AML frameworks to battle fake movement. Plainly banks are regarding launderers as individual exchanges, instead of a web of people. Understanding the system and its capacities is the initial step into decreasing false positives and ending up more productive in the battle against criminal movement. Be that as it may, new practices are winding up effectively open. Relevant checking utilizes substance and system investigation procedures, in mix with cutting edge logical techniques to identify abnormal and suspect movement. Adopting a comprehensive strategy enables banks to hazard evaluate all systems and elements of associated parties and give a totaled perspective of the hazard it postures over the information. Thus, the quantity of false positives is definitely decreased, disposing of frail connections and concentrating on high hazard business, systems and people.

Money laundering keeps on outstanding an extensive scale issue for banks and money related foundations alike. As the culprits get more quick witted, current unyielding AML frameworks stay oblivious ages. To make utilization of the limitless information now influenced open to banks, they to need to receive new consistence advances and comprehend criminal systems as a substance, as opposed to a solitary exchange. At exactly that point, will banks and financial establishments alike decrease their defenselessness to money laundering.

In 2012, HSBC was fined \$1.9 billion by US experts to settle charges identifying with laundering Mexican medication cartel cash. In 2014, French bank BNP Paribas was fined nearly \$9 billion by American prosecutors for preparing installments that broke US endorses on Cuba, Iran and Sudan. Standard Chartered was fined \$300 million of every 2014 for neglecting to

remediate hostile to money laundering issues for which it had been fined \$340 million of every 2012, identified with sanctions on Iran. Hostile to money laundering or AML covers sedate trafficking, defilement, impose extortion and human trafficking, among other criminal action. Huge fines are not even the best danger. On the off chance that an administration chooses to prohibit a culpable bank from clearing exchanges in that nation's cash, it can disable an association's capacity to exchange globally. The US has issued incomplete bans on clearing dollars previously. Given the existential danger this stances to parts of their organizations, conflicting with AML and know-your-client (KYC) rules isn't a decent decision. (Barners, 2015)

Table 2: Exposure to money laundering is considered a high- risk area in banks' risk assessment



Source: <https://assets.kpmg.com/content/dam/kpmg/pdf/2014/02/global-anti-money-laundering-survey-v5.pdf>

As per the Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism (MONEYVAL) open articulation of December 12, 2008 and the shared assessment provide details regarding Azerbaijan received at the MONEYVAL entire in December 2008, at the junction of Europe and Central Asia and with huge measures of common

assets, Azerbaijan is a quickly developing economy. The unlawful medication exchange produces the biggest measure of illegal subsidizes by a long shot, trailed by robbery and extortion. Illegal subsidizes likewise get from burglary, tax avoidance, and carrying, and as of late, trafficking in people has additionally turned into an expanding issue that produces unlawful assets. Defilement is endemic in the nation, and sorted out wrongdoing bunches exist also, in spite of the fact that experts don't have a decent comprehension of the gatherings or their tasks. Azerbaijani experts trust that money laundering and fear based oppressor financing works to a great extent through the managing an account segment.

Azerbaijan had 46 business banks, 6 of which worked for the most part with remote capital. Two banks are totally state-claimed. There were 77 authorized credit associations and 18 authorized microfinance foundations, and additionally 29 authorized insurance agencies. As of January 1, 2008, Azerbaijan had 37 authorized proficient securities performing artists. Azerbaijan's Customs experts have gotten no direction with respect to distinguishing proof of potential tax criminals or fear based oppressor lenders entering or leaving the nation. Regardless of whether Customs presumed money related wrongdoing, the organization does not have the legitimate expert to forbid or seize cash, nor does it have the commitment to report doubts to other law requirement specialists. In 2003, law requirement found various beneficent associations connected to psychological oppressor financing and close them down. Experts stay discerning of the vulnerabilities that the not-for-profit area postures and think about not-for-profit associations (NPOs) detailing substances. In any case, Azerbaijan has not inspected the dangers of this division and experts have not assessed the associations for psychological oppressor financing vulnerabilities.

In February 2006 MONEYVAL started Compliance Enhancing Procedures against Azerbaijan because of its inability to pass acceptable and far reaching AML/CTF preventive enactment, absence of a FIU and absence of a legitimately

based and compelling STR administration. In February 2008, MONEYVAL directed an abnormal state visit to draw the consideration of senior Azerbaijani specialists to the significance of a hostile to money laundering counter terrorist financing (AML/CTF) administration. In April 2008, MONEYVAL assessors led an on location assessment of the Azerbaijan AML/CTF administration, which the entire received in December 2008. In December 2008, MONEYVAL issued an open proclamation enrolling its worry with Azerbaijan's inability to pass and actualize an AML/CTF law, and calling upon part states and different nations to prompt their budgetary establishments to apply upgraded due steadiness to exchanges with connects to Azerbaijan.

The Government of Azerbaijan (GOAJ) has no AML/CTF deterrent law set up, despite the fact that a draft law passed a moment perusing on October 31, 2008. Allegedly, when executed, the draft law against cash law will, to some degree, address a portion of the present deficiencies, for example, unknown records, improved due perseverance for politically uncovered people (PEPs), solidifying and seizure conventions and the documenting of suspicious exchange reports, in spite of the fact that the draft law does not comport with universal benchmarks. The GOAJ has as of late exhorted that it means to revise the draft law to meet universal measures. The GOAJ has established a few arrangements went for criminalizing money laundering however the present arrangements set up intended to criminalize money laundering have real insufficiencies and there has been no usage. Just characteristic people are liable to criminal obligation for money laundering. Azerbaijan has not connected the standards of corporate criminal obligation, so no lawful people can be rebuffed for money laundering or fear based oppressor financing. Azerbaijan has taken the "all violations" way to deal with predicate offenses. Be that as it may, insider exchanging and showcase control are not thought about offenses. The shared assessment report (MER) noticed that the GOAJ gave no proof of examinations or court

procedures including money laundering as remain solitary offense. Under the present interwoven administration, it is misty whether prosecutors must acquire a conviction for the predicate offense with a specific end goal to open an money laundering examination. It is likewise indistinct whether experts can seek after money laundering if the predicate offense happens in another nation. Azerbaijan has no criminal obligation for legitimate people. Just regular people can get discipline for money laundering and fear monger financing.

Despite the fact that without an exhaustive law there are no particular supervisor bodies for AML/CTF consistence in the different divisions, specialists keep up that the AML/CTF abilities are tended to by the bosses over the span of general supervisory exercises. The National Bank of Azerbaijan (NBA) is the supervisory specialist for banks and credit associations. The Ministry of Finance administers insurance agencies, and the State Committee on Securities oversees the securities part. The able specialists seem proficient, very much resourced, and all around prepared in AML/CTF issues and lead examinations frequently. In any case, just the NBA incorporates an AML/CTF segment in its examinations. Client due steadiness (CDD) measures get from various laws and directions. GOA-issued controls are enforceable, in spite of the fact that generally an authoritative body has not approved or issued them. The NBA has issued "Methodological Guidance on the Prevention of the Legalization of Illegally Obtained Funds or Other Property through the Banking System," however this direction isn't law and isn't authoritative. There is no lawful arrangement in the law for endorsing infringement of AML/CTF direction or controls. Similarly, there are few client distinguishing proof commitments illustrated in the law "On Banks." While the law prohibits the opening of unknown records, it doesn't expect foundations to confirm the useful proprietor of a record. Business entities can issue boundless quantities of carrier shares. There is no specific improved due persistence necessity for dealings with

PEPs, and Azerbaijani banks need controls administering their activities when opening journalist accounts somewhere else and also when directing non eye to eye exchanges or building up connections in this way. There are no forbiddances on monetary foundations executing exchanges with shell banks. In spite of the fact that there is a record-keeping necessity, it needs lucidity in regards to the records that should be held and gives no probability to expanding the record-keeping time, notwithstanding when asked for by a skillful specialist. Azerbaijan does not command its money related foundations to guarantee that their remote branches and auxiliaries submit to the necessities of the nation where their home office are found. Bank mystery arrangements don't posture deterrents for law authorization examinations. A court choice will order the lifting of expert mystery.

Azerbaijan has no law obliging budgetary organizations to document suspicious exchange reports (STRs) when they think or have sensible grounds to presume that assets are the returns of wrongdoing. The NBA issued letters to banks in 2007, producing around 500 STRs. Of these, the NBA passed 24 to law implementation. There is likewise no legitimate commitment on monetary foundations to report doubt of psychological oppressor financing to a budgetary insight unit (FIU). Azerbaijani experts have not led any preparation our effort with respect to money laundering and psychological militant financing. Indeed, even the formal money related part needs mindfulness and comprehension of AML/CTF issues: one noteworthy business bank was uninformed of STRs and STR detailing. There are no lawful commitments for money related organizations to build up AML/CTF programs or assign a consistence officer. Since there is no powerful law, the assigned nonfinancial organizations and callings (DNFBPs) have no AML/CTF commitments. There are no capable specialists to fill in as the AML/CTF chiefs. Assessment counselors, the 800 legal advisors, the 94 evaluators and bookkeepers (of which none are

autonomous) don't fall under the AML/CTF rubric by any stretch of the imagination, as experts view them as a little segment of the nonbank segment and okay. The 150 public accountants in Azerbaijan and around 1000 merchants in valuable metals and stones may have announcing commitments later on. The Assay Chamber manages the merchants in past metals and stones, however does not have any AML/CTF part. Azerbaijan has disallowed gaming and clubhouse exercises, in spite of the fact that it runs a state lottery. The MER revealed that there seemed, by all accounts, to be little coordination at the approach and at the working level between the organizations accused of battling AML/CTF and between the supervisory bodies.

Azerbaijan does not have a FIU. The GOAJ has informed that until reception with respect to the AML/CTF law, it won't have the capacity to build up a FIU. Right now, the 3-part AML Division of the National Bank of Azerbaijan (NBA) has gone up against a portion of the capacities that a FIU would oversee. Nonetheless, the General Prosecutor's office was uninformed of the presence of any suspicious exchange reports (STRs). Investigatory expert in AML/CTF cases lies at last with the General Prosecutor. The Ministry of National Security has likewise worked with AML/CTF issues, revealing that the greater part of STRs identify with fear based oppressor financing. Be that as it may, few psychological related examinations or arraignments show up. Despite the fact that the GOAJ has criminalized the financing of fear mongering, it has connected an exceptionally limit definition. As the definition now stands, it isn't entirely a predicate offense for money laundering. Experts would likewise need to give confirmation of money related or material help for particular psychological oppressor acts, as Azerbaijan has not unequivocally criminalized the financing of fear based oppressor associations or an individual psychological militant; it additionally has excluded as a criminal offense the help of enrollment and different exercises by psychological oppressor associations and support of

the groups of psychological oppressors. Prosecutors have acquired one fruitful arraignment against an individual gathering cash to back future fear based oppressor acts.

Azerbaijan seems to have organized a framework to actualize UNSCR 1267 and 1373, and the Ministry of Foreign Affairs has conveyed the rundowns to different Ministries and supervisory bodies. In any case, there has been no direction issued, even to the money related area, and nobody outside the managing an account division has all the earmarks of being mindful of the rundowns. The nonbank parts have never solidified resources in conjunction with the UNSCRs. There does not seem, by all accounts, to be an expert accused of assigning people or elements subject to solidifying orders. Since 2003, Azerbaijani experts have not issued any solidifying orders. Azerbaijan has gone into various shared lawful help settlements, despite the fact that the nonattendance of criminal obligation for lawful or corporate people and the double culpability necessity could posture difficulties to lawful participation. Azerbaijan does not have a shared legitimate help settlement with the United States. Azerbaijan's law authorization specialists are building up a system of participation and data trade at the knowledge level. Although fact is not completed a FIU implies that Azerbaijan's collaboration with the FIU people group is seriously hampered, the NBA has reacted to demands from two FIUs. Azerbaijan has approved the 1988 UN Drug Convention, the UN Convention against Transnational Organized Crime, the UN Convention against Corruption, and the UN Convention for the Suppression of the Financing of Terrorism. It is an individual from the MONEYVAL Committee. It is empowering that the Government of Azerbaijan (GOAJ) will have passed AML/CTF enactment in mid 2009 that will accommodate the improvement of a money related insight unit. Nonetheless, that enactment will require changing to fit in with universal models. The GOAJ should start executing the new enactment through

proclaiming official and enforceable controls for both the monetary parts and the DNFBPs. It should direct mindfulness and effort battles for the elements that will be liable to the law, and work to build up a FIU so endless supply of the enactment, the FIU will have the capacity to start its work. Azerbaijan ought to disallow carrier shares. The GOAJ ought to guarantee that the administrative specialists and authorization organizations have assets focused on particularly to the quest for money laundering and fear based oppressor financing/The GOAJ ought to give preparing, specifically for law implementation and prosecutors, to empower experts to lead complex examinations and get feelings. The GOAJ ought to build up scenes for both system detailing and coordination and participation between the pertinent specialists accused of AML/CTF work. The GOAJ should direct effort in regards to the UN Security Council Resolutions and solidifying orders.

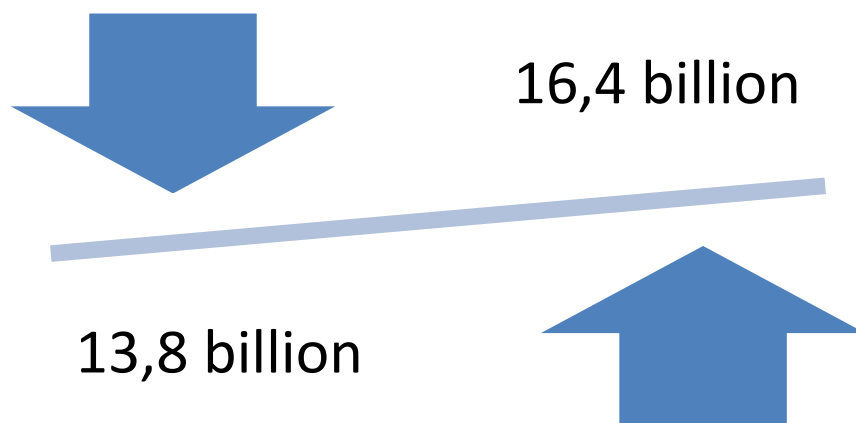
As per the current year circumstance of banks in Azerbaijan, shutting the time of 2013 with a credit blast, the managing an account part was not able withstand the icy long stretches of the present year: business banks nearly ended every single individual credit extension. In spite of the idealistic perspective of the Central Bank of Azerbaijan Republic with respect to the general circumstance, the business banks have stayed distrustful. In the wake of forcing advance limitations, a portion of the banks even settled on a choice to close their working branches. Surely, it isn't hard to survey the circumstance: 73.5 for every penny of all remarkable keeping money resources (20.4 billion AZN) with an aggregate sum of 15.0 billion AZN are advances and this thusly restrictively affects managing an account. A failure or unwillingness to loan makes it essentially difficult to run the primary bank exercises. Subsequently, this detrimentally affects the essential wage of banks. The Banks associated with retail managing an account will endure progressively if the status not going to be changed inside a brief period. Preceding the last limitations, plainly the

circumstance with respect to the credit loan fee was not too bad in Azerbaijan. In CIS, Azerbaijan, Ukraine, and Belarus are the nations that offer the most astounding financing costs. Despite an expanding level of liquidity position of the banks of Azerbaijan and low financing costs on stores, there was not watched any diminishing in credit loan costs. Credit loan fees offered by business banks shifted in the scope of 16-34 percent, however the normal financing cost on stores tumbled to 8% from 16% in the most recent year. While it isn't challenged that loan fees are the fundamental component of the prohibitive measures of the CB, it has endeavored to audit the general circumstance by making various strides.

Firstly, the point of forced limitations is expected to accomplish focused on expansion rates in 2014. As per the Central Bank, confinements on loaning were not trained; current principles don't really give the Central Bank this right. In any case, it is certain that any proposals by the Central Bank are no less compelling than genuine requests to business banks. So as to accomplish value dependability, the Central Bank will execute satisfactory hostile to expansion apparatuses according to the "Announcement of the Central Bank of the Republic of Azerbaijan on fundamental headings of the money related and budgetary soundness arrangement for 2014". Request and costs variables will be on target while actualizing the counter expansion approach. There will likewise be more accentuation on the support of experimental based money related directions and the coordination amongst fiscal and macroeconomic approach. Toward the finish of 2013, the CB viewed regulative instruments as utilized because of the past retail credit blast. The expansion of vitality costs toward the finish of last December financially is relied upon to influence the cost of neighborhood merchandise in February and March this year. In such manner, from one perspective increment in directed costs, then again ascend in buyer credits are the primary issues CB faces in accomplishing its objectives. The

single digit swelling is the need for CB as far as keeping up Bank's Executive Boards position. Be that as it may, increment in customer credits raises doubt about this need. Besides, increment available for use of money is yet another constraint for maintaining expansion rate. Just as cash supply (M2 money related total) toward the finish of 2012 was in excess of 13.8 billion AZN, these numbers expanded by 16% of every 2013 and achieved 16.4 billion AZN. The money volume outside the banks was around 10.6 billion AZN in 2013. There was 13% development over the previous year considering that M0 fiscal total had been 9.3 billion AZN in 2012.

Table 3: Cash supply (M2 related total)



In the event that we consider that M2 money related total is the principle pointer for forecast of expansion, at that point it isn't too difficult to portray the genuine circumstance. In the meantime, the proportion of trade out dissemination to add up to money related stores was 93.6% as per 2013s' reports. Accordingly, the official figures demonstrate that blast of earlier years upsets the keeping up of expansion rate. In this manner, CB tries to restrict the swelling rate and keep up cash flow by controlling cash supply of banks.

Secondly, since there were 22% expansion in resources of managing an account framework and 25% in reserve funds, CB is worried about disparity of existing

parity by purchaser advances. The credits in areas expanded by 31%, whereby advances in private division expanded by 25% over the period. The offer of long haul credits in the advance portfolio expanded by 79 %. There was an appeal for buyer advances and these expanded by almost 37%. In down to earth terms, CB focused on coordinate control of customer credits. CB noted in its strategy that "The quality properties of the expansion in saving money part will be surveyed and enhancement will be acclimated to general development of economy". In this unique circumstance, the extraordinary consideration will be given to hazard investigations of individual credit choices and to development rate of shopper advances. Preventive control of purchaser credit hazard will be a critical need. When all is said in done, the part of banks' loaning movement to guarantee ideal monetary cycle part will be valued. The endeavors to protect and enhance the nature of shaped portfolio will be fortified. "Obligation to salary" proportion of credits and of the level of the most extreme of this proportion will be controlled by the Central Bank. Indeed, the CB's legitimate declaration of financial approach is attempting to accomplish the targets of; the credit supply restrict, decrease the quantity of retail clients. 38.6% of 14.9 billion AZN worth of credits is given by banks to purchaser advances. At present 400 AZN out of 1000 AZN is shopper credits. In such manner, the Central Bank encourages not to give the purchaser credits without reference. For examination, in created nations, buyer credit and does not constitute over 20% of the aggregate advance. In this regard, the execution figures are sufficiently huge in the nation given that 1.7 million native of Azerbaijan take advances from banks. Considering the way that the conveyance of buyer credits to banks by the standard pyramids, continuation of purchaser loaning retail banks by along these lines could be the establishment for another level of the emergency.

Third, the Central Bank prompted business banks to restrict purchaser advances, then to expand limit of their business credits. As per the "Loaning Rules in

Banks" archive, which is acknowledged in 2008 and made changes in 2010, the CB precludes to business banks to offer credit to the clients without gainfulness. How opposing this manage is for current enactment is another side of the issue, however the case is that, alluding to this lead, the CB may guide banks to business advances. Watched increments in the volume of hazardous advances additionally give a chance to the CB to utilize this instrument. Once more, in the event that we consider the affirmed financial and credit approach for 2014, it ends up clear this was among fundamental objectives of the CB. The paper takes note of that, "adjustment of Basel-3 norms to neighborhood conditions will be guarantee, arrangement of "counter-repeating saving money supervision" system will be continued. (Bayramov, 2014)

AML strategies and methodology – cases of good and poor practice

Good practice

- Senior administration consider money laundering hazard important and comprehend what the Regulations are attempting to accomplish.
- Keeping AML arrangements and systems up and coming to guarantee consistence with advancing legitimate and administrative commitments.
- An obviously explained meaning of a PEP (and any applicable sub-classes) which is surely knew by significant staff.
- Considering the hazard postured by previous PEPs and 'household PEPs' on a case-by-case premise.
- Ensuring sufficient due ingenuity has been completed on all clients, regardless of whether they have been alluded by someone who is effective or compelling or a senior administrator.
- Providing great quality preparing to pertinent staff on the dangers postured by higher hazard clients including PEPs and journalist banks.

- Ensuring RMs and other applicable staff see how to oversee high money laundering hazard clients via preparing them on down to earth cases of hazard and how to moderate it.
- Keeping preparing material extensive and up and coming, and rehashing preparing where important to guarantee significant staff know about changes to arrangement and rising dangers.

Poor practice:

- An absence of responsibility regarding AML hazard administration among senior administration and key AML staff.
- Failing to lead quality confirmation work to guarantee AML approaches and systems are fit for reason and working by and by.
- Informal, undocumented procedures for recognizing, grouping and declassifying clients as PEPs.
- Failing to complete upgraded due determination on clients with political associations who, despite the fact that they don't meet the legitimate meaning of a PEP, still speak to a high danger of tax evasion.
- Giving waivers from AML strategies without justifiable reason.
- Considering the reputational hazard instead of the AML chance introduced by clients.
- Using bunch strategies which don't go along completely with UK AML enactment and administrative prerequisites.
- Using specialists to draw up strategies which are then not actualized.
- Failing to dispense sufficient assets to AML.
- Failing to give preparing to significant staff on the most proficient method to conform to AML arrangements and systems for overseeing high hazard clients.
- Failing to guarantee approaches and methods are effortlessly open to staff.

Every one of the banks we went to had an AML strategy and most banks' general money laundering hazard evaluation was reflected in that arrangement. This regularly alluded to high-chance wards, helpless business exercises and, now and again, denials of connections that were regarded excessively dangerous. Numerous banks had balanced their hazard appraisal in accordance with various territories of task. While surveying the hazard related with singular business connections, most banks utilized a hazard scoring framework. The hazard score was normally created by staff finishing a hazard evaluation frame either on paper or on a PC framework. The general hazard score was normally created by including scores (or taking a normal) for various AML chance components. AML chance elements banks thought about included:

- the straightforwardness of organization structures and valuable proprietors;
- political associations of the client or related people;
- associations (through nationality, residency, nation of fuse and so forth) to high hazard nations or those subject to monetary approvals;
- the client's notoriety as well as known unfavorable data about the client;
- the source, structure and sufficiency of data about the client's riches;
- the wellspring of the client's assets;
- expected action on the record (kinds of exchange, volumes, sums, the utilization of money);
- the client's calling/industry segment; and
- association in broad daylight contracts.

Once a score was produced, the client was generally sorted as high, medium or okay and this normally decided the level of CDD required; the recurrence at

which the relationship was surveyed; and the level of status required to give endorsement for going into the relationship and for closing down record audits.

- Failing to lead quality affirmation work to guarantee AML arrangements and methods are fit for reason and working by and by.
- Informal, undocumented procedures for recognizing, ordering and declassifying clients as PEPs.
- Failing to do upgraded due industriousness on clients with political associations who, despite the fact that they don't meet the legitimate meaning of a PEP, still speak to a high danger of money laundering.
- Giving waivers from AML strategies without justifiable reason.
- Considering the reputational chance instead of the AML chance introduced by clients.
- Using bunch arrangements which don't consent completely with UK AML enactment and administrative prerequisites.
- Using specialists to draw up arrangements which are then not executed.
- Failing to assign sufficient assets to AML.
- Failing to give preparing to pertinent staff on the best way to consent to AML approaches and techniques for overseeing high hazard clients.
- Failing to guarantee arrangements and strategies are effectively open to staff.

In a few firms, the presence of certain high-hazard factors (eg political associations, obscure organization structures, high-chance nations or unfriendly data about the client) drove either to programmed referral of the proposed relationship to the bank's Compliance or AML group or a programmed high-chance order, paying little respect to the general client score. By and large, this

sort of organized hazard appraisal process seemed to enable a few banks to settle on all around educated and predictable choices about whether a potential or existing client relationship was inside hazard craving.

We discovered genuine shortcomings in a few banks' hazard appraisal arrangements and procedures. 33% of banks we went by neglected to survey their hazard appraisal consistently and to assess critical new improvements and experiences, for example, new proof of nation hazard or removal of criminal action to different items or administrations. For instance, some had not refreshed their hazard evaluation to consider FATF's present rundown of nations with vital inadequacies. Shortcomings included:

- ❖ Some banks allotting improperly generally safe weightings for certain high hazard factors, evidently – and now and again obviously – to abstain from conducting upgraded due tirelessness on a lot of their business. Others neglected to consider surely understood high-hazard markers, for example, connections to certain business exercises normally connected with larger amounts of defilement, or neglected to consider antagonistic data from an assortment of sources.
- ❖ Some banks neglecting to do a hazard evaluation of their business connections at all or just without further ado before our visit.
- ❖ Some banks' CDD records did not contain satisfactory narrative confirmation on documents to indicate why clients were evaluated a high, medium or okay.
- ❖ At a few banks, RMs could abrogate the hazard score produced by the hazard appraisal process without adequate confirmation to help their choice.
- ❖ Some banks scored hazards in a way with the end goal that, practically speaking, it was relatively inconceivable for a relationship to be named

high hazard. A little bank had acquainted a framework with score its clients

- ❖ In a few banks, staff did not comprehend or were ignorant of the hazard evaluation process as well as strategy.
- ❖ Some banks neglected to refresh client chance appraisal amid progressing checking of the relationship.

The Money Laundering Regulations 2007 and our senior administration frameworks and control rules expect banks to set up chance touchy AML approaches and forms. These should empower banks to recognize and center around those business connections that represent the most serious danger of money laundering. These strategies and procedures ought to have the unmistakable help of senior administration, be imparted to important staff and executed successfully. Albeit every one of the banks we went by had an AML arrangement archive, a few banks' approaches were unmistakably outdated and had not been surveyed for quite a while. Cases of obsolete data noted in banks' approaches included references to the necessities of Money Laundering Regulations 2003 instead of the prerequisites of the Money Laundering Regulations 2007. This implied, at times, banks' AML strategies and procedures had not been refreshed to guarantee consistence with current legitimate and administrative commitments. Study was created to enable banks to see best practices and benchmark their AML consistence endeavors against peers. This complete asset gives a gritty investigation of AML practical structures, staffing levels and affirmations, costs, hazard resistance, execution of key consistence procedures, innovation and preparing. Developing dangers and expanded administrative examination and authorization are putting extreme weight on AML consistence projects, and banks need to constantly improve their procedures to address essential changes. AML forms that were adequate in the past may not be powerful today, and new desires in light of dangers saw at

different foundations can prompt administrative holes and control inadequacies. AML controls are trying for banks, and knowing how organizations of comparable size, intricacy and hazard structure AML consistence exercises and oversee advancing directions can help distinguish openings and keep AML programs pertinent. Our review enables banks to see how peers are responding to AML difficulties and AML consistence program.

For the most part, the body in charge of actualizing the administration's hostile to money laundering or forestalling legitimization of different properties and fear based oppression financing (AML/TF) strategy, enhancing the related control framework and organizing the exercises of the related state experts is the Financial Monitoring Service at the Financial Markets Supervisory Authority of the Azerbaijan Republic. The Bank's Anti-Money Laundering and Terrorism Financing exercises in the revealed year were lined up with the Law of the Azerbaijan Republic on Prevention of Legalization of Criminally Funds or Other Properties and Financing of Terrorism, orders and resolutions by the Financial Monitoring Service at the Financial Markets Supervisory Authority of the Republic of Azerbaijan, proposals and resolutions of the European Council's Expert Committee for Anti-Money Laundering and Terrorism Financing Evaluation (MONEYVAL), the Economic Cooperation and Development Organization's Financial Action Task Force (FATF) and the Egmont Group, the specific unit of the Financial Intelligence Agencies.

I have sent AML survey some of the banks for example MuganBank, Bank Respublika, International Bank of Azerbaijan, TuranBank, Unibank, Bank BTB, Expressbank, Kapital bank, Xalq Bank, Agbank, AzerTurk Bank, order to learn situations of Azerbaijan banks about AML. Banks that responded to my request amongst the banks I posted are MuganBank, Bank Respublika, International Bank of Azerbaijan, TuranBank. As result of my survey:

Table 4: Survey of AML from Azerbaijani banks

Survey of AML								
Questions	MuganBank		Bank Respublika		TuranBank		International Bank of Azerbaijan	
	YES	NO	YES	NO	YES	NO	YES	NO
Does your Bank have a function responsible for AML Compliance policies, procedures and reporting?	*		*		*		*	
Is this function independent of other business units?	*		*		*		*	
Does your Bank have a designated AML Compliance Officer?	*		*		*		*	
Do you do business with “shell banks”?		*		*		*		*
Does your jurisdiction have any Bank Secrecy laws?	*		*		*		*	
Does your country have any laws regarding AML?	*		*		*		*	
Does your Bank have a risk-based assessment of its client base and their transactions?	*		*		*		*	
Does your Bank have policies or practices for the identification and reporting of transactions that are required to be reported to the authorities?	*		*		*		*	
Where cash transaction reporting is mandatory, does your Bank have procedures to identity transactions structured to avoid such obligations?	*		*		*		*	
Does your Bank offer AML and KYC procedure-related training?	*		*		*		*	
Does your Bank employ third parties to carry out some of the functions of your Bank?		*		*		*		*
* Can any employee for your Bank file a Suspicious Activity Report?	*		*		*		*	

<p>If the answer to question 15 is YES, does your Bank provide AML training to relevant third parties that includes:</p> <ul style="list-style-type: none"> • Identification and reporting of transactions that must be reported to government authorities. • Examples of different forms of money laundering involving the Bank’s products and services. • Internal policies to prevent money laundering. 		*		*		*		*
Does your Bank retain records of its training sessions, with the log of employees that completed the course of AML training?	*		*		*		*	
Does your Bank have a monitoring program for unusual and potentially suspicious activity that covers funds transfers and monetary instruments such as traveler’s checks, money orders, etc.?								
Does your Bank screen customers and transactions against sanctions lists of persons, entities and countries issued by government / competent authorities?	*		*		*		*	
Does your Bank provide downstream correspondent banking clearing services to other Financial Institutions?	*		*		*		*	
Does your Bank forbid its customers a direct access to your correspondent banking account with us?	*		*		*		*	
Does your Bank perform ongoing controls to ensure that no one of its customers will have such a direct access to your correspondent banking account with us?	*		*		*		*	
Does your Bank have policies to reasonably ensure that it only operates with correspondent banks that possess licenses to operate in their countries of origin?	*		*		*		*	
Does your Bank have a process to review and, where appropriate, update customer information relating to high risk client information?	*		*		*		*	
Does your Bank have procedure to establish a record for each new customer noting their respective identification documents and KYC information?	*		*		*		*	
Does your Bank complete a risk-based assessment to understand the normal and expected transactions of its	*		*		*		*	

customers?									
------------	--	--	--	--	--	--	--	--	--

If we look at the section by section answers we can require results of our survey. Section of Compliance Department demonstrate to us that four banks have a capacity in charge of AML Compliance arrangements, strategies and detailing, banks have work free of different specialty units, banks have an assigned AML Compliance Officer. As enactment and Regulatory Issues banks locale have any Bank Secrecy laws. AML Measures and KYC Policies segments demonstrate to us that four banks created composed AML approaches recording the procedures that they have set up to forestall, distinguish and report suspicious exchanges, four banks' AML strategies and works on being connected to all branches and auxiliaries of your Bank both in the nation of origin and in areas outside of that ward. Banks have composed KYC Procedures for all specialty units sensibly anticipated that would be presented to the separate dangers. Banks agree to FATF Recommendation 16 on wire exchange, banks have a hazard based appraisal of its customer base and their exchanges. MuganBank, TuranBank, Bank Respublika and International Bank of Azerbaijan set up the customer's movement profile, decide the proper level of improved due perseverance vital for those classifications of clients and exchanges that the Bank has motivation to trust represent an increased danger of unlawful exercises at or through your Bank. None of them has "shell-bank". Likewise banks have a strategy that denies opening and keeping up mysterious records. your Bank play out the required checking of the customers at account opening against the official arrangements of known/suspected fear based oppressors, opiates merchants/traffickers, arms merchants/traffickers, and so forth as gave by governments and worldwide organizations. Expansion banks have a procedure to survey and, where proper, refresh client data identifying with high hazard customer data, methodology to build up a record for each new client taking note of their particular ID archives and KYC data. Banks finish a hazard based

evaluation to comprehend the typical and expected exchanges of its clients. MuganBank's objective market is retail and corporate client. MuganBank has following budgetary administrations and items:

- Giving credits
- Attracting stores
- Bank Guarantees
- Payment administrations
- Opening Bank accounts
- Express cash exchanges
- Storage administrations
- Foreign Money Exchange administrations
- Letter of Credits

Freedom Bank considers the accompanying sorts of client to have a higher AML/CTF chance profile which Muganbank and Bank Respublika have:

- Charities/Non-benefit associations
- Dealers in high esteem or valuable products
- Money administrations organizations
- Import/send out exercises
- Sales exercises by means of Internet
- Oil and Gas Industries

Freedom Bank considers the accompanying kinds of client to have a higher AML/CTF hazard profile which Muganbank and Bank Respublika have not:

- Casinos, wagering, internet gaming
- Cash serious organizations
- Accounts for guardians
- Tobacconists

- Property Real domain operators/agents/designers
- Arms and weapons makers, merchants or mediators
- Computer/High-end Technology/media communications/cell phone deals and conveyance
- IT part merchants
- Activities associated with atomic businesses; Chemical Dealers/Producers
- Trust/Investment/Holding/Asset Management Companies
- Persons or elements found/consolidated in wards whose AML/CTF administration has significant and key inadequacies as indicated by the progressing supervision/follow-up of the FATF;
- Persons or substances found/fused in locales that are not gaining adequate ground as indicated by the progressing supervision/follow-up of the FATF;
- Persons or substances found/fused in locales whose AML/CTF administration isn't agreeable as indicated by the progressing supervision/follow-up of the FATF;

Section of Reportable Transactions, Prevention and Detection of Transactions with Illegally Obtained Funds MuganBank and Bank Respublika have strategies and techniques to sensibly guarantee that your journalist saving money account isn't being utilized to in a roundabout way give saving money administrations to another Financial Institution on whom you have not performed due steadiness. Banks have for all exchange inside checking of exchanges set up. Banks have systems to character exchanges organized to keep away from such commitments. As AML Training and Employee Awareness MuganBank and Bank Respublika offer all employes AML and KYC methodology related preparing, hold records of its instructional meetings, with the log of workers that finished the course of AML preparing, have Employee Awareness program set up that imparts changes in your Bank's AML strategies

and KYC techniques, and the adjustments in laws and directions, representative documenting a Suspicious Activity Report be recognized. MuganBank and Bank Respublika utilize outsiders to do a portion of the elements of their bank. Bank give AML preparing to important outsiders that incorporates:

- Identification and detailing of exchanges that must be accounted for to government specialists.
- Examples of various types of money laundering including the Bank's items and administrations.
- Internal arrangements to anticipate money laundering

The Act on Detecting and Preventing Money Laundering and Terrorist Financing to know their clients, screen their client connections and clients' exchanges, and to report suspicious exchanges to the Financial Intelligence Unit. Banks must have such hazard administration methodology set up that are comparable with the nature and size of their business

Banks need set up such hazard administration methodology identified with money laundering and fear based oppressor financing that are equivalent with the size and nature of their tasks. While surveying the dangers of money laundering and fear monger financing, banks need to consider the dangers that are identified with their segment, items, administrations, clients, the clients' business and exchanges, and in addition to innovative advancement. The CDD measures should be seen based on chance based evaluation all through the presence of the client relationship. Banks need to demonstrate the Financial Supervisory Authority that their strategies for CDD and continuous observing are sufficient and consent to the AML Act.

CDD obliges banks to know their clients. As indicated by the AML Act, banks need to distinguish their clients and check their personalities in specific circumstances. Distinguishing proof means setting up the client's personality

based on data gave by the client; though check of the character implies learning the client's character based on reports, information or data acquired from a dependable and free source. As indicated by the AML Act, banks need to recognize the client and confirm the client's character when:

- establishing standard client connections;
- in instance of suspicious exchange or on the off chance that they have a doubt that the assets included are utilized for fear based oppressor financing;
- when they have questions about the unwavering quality of already got information on the client's personality;
- if somebody follows up for the sake of the client, the agent must be recognize, and his/her personality must be checked if essential;
- when the aggregate of an exchange is at least 15,000€, paying little heed to whether installment is made in single or more connected exchanges, and when the client relationship isn't general.

Banks additionally need to distinguish the gainful proprietors, and if important, check their character. Advantageous proprietor implies a characteristic individual for whose benefit the exchange is being led, or if the client is e.g. an organization, it implies the characteristic individual who controls the organization. By recognizing the client it is implied that banks must have adequate data on their clients' exercises, budgetary status, saving money practices, and reason for which the administrations are utilized. Banks need to discover what sort of administrations their clients require.

Banks need to archive the client ID and due ingenuity data. Records must be held in a safe way for a long time following the finish of consistent client relationship. At the point when the exchange is incidental adding up to more

than 15,000€, the records should be kept for a long time following the doing of the exchange. The accompanying data must be held:

- name, date of birth and individual personality number
- name, date of birth and individual personality number for somebody going about as a delegate
- full name, enlist number, enroll date and enrolling specialist for a lawful individual
- full name, date of birth and nationality of the individual from the board or a proportional basic leadership body of a lawful individual
- business segment of the legitimate individual
- name, date of birth and individual personality number of helpful proprietor
- name, number or other identifier and guarantor of the report utilized as a part of the confirmation of personality, or a duplicate of the record
- the data that is important to direct client due ingenuity, for example, data on the client's exchanges, the nature and degree of the client's business, his/her budgetary status, the reason for the utilization of exchanges or administrations and data on the wellspring of assets

As indicated by the AML Act, banks are obliged to mastermind checking that is sufficient in the perspective of the nature, degree and dangers of the clients' exchanges to guarantee that the exchanges are steady with the banks' involvement or learning of the clients and their business. Banks must give careful consideration to exchanges which are abnormal in regard of their structure, amount or size. The same additionally applies if exchanges have no evident monetary reason or on the off chance that they are conflicting with the banks' understanding or learning of the clients. In the event that fundamental,

measures should be taken to build up the wellspring of assets that are engaged with the irregular exchange. Banks need enough assets to orchestrate progressing checking. They ought to likewise have set up inward directions for utilizing the checking framework. As the AML Act applies to an assortment of organizations, there is no positive prerequisites for observing frameworks. Along these lines each bank may have an alternate sort of checking framework. The observing framework might be robotized or manual, or a mix of these two, as long as it is satisfactory for meeting the prerequisites of identifying surprising exchanges. (Authority, 2017)

Having satisfied the commitment to acquire data, banks should instantly report a suspicious exchange or a doubt of fear monger financing to the FIU. Banks are obliged to give the FIU, for nothing out of pocket, all the essential data and records that could be huge in clearing the doubt. In the event that the client is associated with an express whose arrangement of distinguishing and counteracting money laundering and psychological militant financing doesn't meet the universal measures, banks must, keeping in mind the end goal to satisfy the improved announcing commitment, make an answer to the FIU in situations where: -the client does not give the bank an elucidation that they have asked for to satisfy the commitment to acquire data;-they view this illumination as problematic ;-the illumination acquired by the bank doesn't give adequate data on the reason for the exchange and on the root of assets;-the legitimate individual can't be distinguished;-the valuable proprietor can't be distinguished or built up in a solid way .Banks must suspend an exchange for facilitate request or decline to direct an exchange if the exchange is suspicious, or in the event that they presume that the assets included are utilized for psychological oppressor financing or an endeavor to do as such. Banks need to furnish their employees with appropriate preparing keeping in mind the end goal to guarantee consistence with the arrangements of the AML Act. Banks must have inward

directions set up concerning CDD strategies, satisfaction of the commitment to get data, and satisfaction of the revealing commitment. Notwithstanding the preparation commitment, banks need to take fitting and sufficient measures to secure the representatives who submit suspicious exchange reports. It is particularly vital to prepare those representatives who work intimately with clients and item improvement, alongside clearing, guardianship, and installment frameworks. It is likewise unequivocally prescribed to continue preparing records. It is particularly essential to prepare those representatives who work intimately with clients and item improvement, alongside clearing, care, and installment frameworks. It is additionally firmly prescribed to continue preparing records. As indicated by the AML Act, banks may not uncover the making of a suspicious exchange answer to the client subject to the doubt. Be that as it may, it might scare for a representative to make a report of suspicious exchange regardless of whether he/she doesn't uncover the answering to the client. In the event that the suspicious exchange report prompts police examinations, the client subject to the doubt may have the capacity to think about who made the report — particularly if the worker declined before to direct the suspicious exchange. Therefore the bank ought to guarantee that the client doesn't get any data concerning the character of the representative who made the report.

5. Conclusion

The reason for this work was not to search for an answer for an issue, but instead to concoct a data bundle on cash laundering, what measures banks must take keeping in mind the end goal to avert money laundering and to indicate missing focuses AML in banks. The thought was to gather data from different banks so as to recognize the fundamental focuses in the counter money laundering territory. I think I figured out how to accumulate the most generous data to this theory about money laundering, money laundering anticipation and

to send review to the banks demonstrate that how banks ought to apply the AML Act. I gathered data from different sources that were as later as could reasonably be expected, and which I thought to be reliable.

Generally, I think I could gather substantial purposes of money laundering counteractive action to this theory and had indicated banks current circumstance about AML. Money laundering anticipation and CDD is a piece of regular work in a bank, and subsequently it is imperative that representatives in the managing an account part have adequate data on what they are obliged to do by the AML Act.

Bibliography

- The Impact and Threat of Money Laundering: <https://gomedici.com/the-impact-and-threat-of-money-laundering/>
- Financial Action Task Force: <http://www.fatf-gafi.org/>
- MONEYVAL: www.coe.int/moneyval
- Council of Europe: www.coe.int
- World Bank: www.worldbank.org
- Know Your Country: <http://knowyourcountry.info/azerbaijan.html>
- Council of Europe: <https://rm.coe.int/report-on-fourth-assessment-visit-anti-money-laundering-and-combating-/1680715b1d>
- UNITED NATIONS OFFICE ON DRUGS AND CRIME:
https://www.unodc.org/documents/treaties/organized_crime/CNA%20Directory/English_ebook.pdf
- Basel Committee on Banking Supervision: <https://www.bis.org/bcbs/>
- George Farrugia, Money Laundering – Why Bother?:
http://www.fiumalta.org/pdfs/ml_why.pdf

- Subeh, Musa A.; Boiko, Anton : Modeling efficiency of the State Financial Monitoring Service in the context of counteraction to moneylaundering and terrorism financing
- Dietz, Andrea – 2017: Anti-money laundering and counter-terrorist financing in the Luxembourg investment fund market
- Zaur HACILI- Çirkli pulların yuyulmasına qarşı mübarizə:
http://www.fiu.az/images/documents/az/neshrler/cirkli_pullar_zaur_hacili.pdf
- Antonino Buscemi and Alem Hagos Yallwe: Money laundry and financial development-June 2011
- -Allen, Daren - In: The journal of investment compliance 18 (2017) 3, pp. 72-74
- -Graycar A., Grabosky, P., Money Laundering in the 21st Century: Risks and Countermeasures, Australian Institute of Criminology, Research and Public Policy Series, 1996
- Bartlett B. L., The negative effects of money laundering on economic development, “Platypus” jurnalı, No. 77, Dekabr 2002
- Camdessus, M., Money Laundering: the importance of International Countermeasures, Plenary meeting of the FATF, Paris, 1998:<http://www.imf.org/external/np/speeches/1998/021098.htm>, 18.11.2008
- Graycar A., Grabosky, P., Money Laundering in the 21st Century: Risks and Countermeasures, Australian Institute of Criminology, Research and Public Policy Series, 1996
- Graycar A., Grabosky, P., Money Laundering in the 21st Century: Risks and Countermeasures, Australian Institute of Criminology, Research and Public Policy Series, 1996