

W2 Global Data Solutions Limited

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Money Laundering Regulations.

February 2013 saw the European Commission release draft legislation to update the European Anti Money Laundering (AML) and Counter Terrorism Financing (CTF) protocols.

The two legislative proposals regarding money laundering and funds transfers were:

1. A new directive on the prevention of the use of the financial system for money laundering and terrorist financing - often referred to as the 4th Money Laundering Directive, and
2. A regulation on the information to accompany transfers of funds.

The proposals set out in MLD4 are aimed at meeting the recent proposals from the Financial Action Task Force (FATF) in relation to the 3rd Money Laundering Directive.

Full details of these proposals can be found on the European Commission website, however much of the existing requirement of UK businesses for Customer Due Diligence (CDD) will remain the same, as will the actual offences of money laundering. It is worth noting though that some of the more interesting changes are:

1. The new requirements on beneficial ownership information, and
2. The removal of the distinction between domestic and foreign PEPs, and
3. Lower exemptions for one off transactions

These new proposals are anticipated to come into force in the UK in late 2014.

In short, all regulated businesses will continue to be required to carry out CDD in line with the current 3rd MLD and going forwards the 4th MLD. A useful resource for any professional would be their regulators website.

Warren Russell, Managing Director at W2 Global Data Solutions said: " These new proposals further highlight the need for **all** regulated businesses, regardless of size and footprint to perform CDD checks. Regardless of whether you are a high street retail bank, international audit practice or magic circle legal firm, or indeed a sole practitioner solicitor, accountant or mortgage broker, CDD is a must. The problem however is that independent financial professionals can sometimes struggle to access cost effective yet adequate due diligence"

Russell went on to say: "Firms should realise that by sticking with paper based methods they can possibly leave themselves exposed to regulatory action." Continuing: "A failure to comply with these obligations can carry serious consequences, all too often we see in the press financial penalties, but many Money Laundering Reporting Officers do not even realise that criminal penalties can also be brought against them."

"At last ALL financial institutions and professionals can now access comprehensive due diligence services at a fraction of the price some providers previously charged". He added: "By offering commercially flexible terms, from Pay As You Go through to bulk annual licences, a simple check on W2's SAVI (Screen and Verify Identity) will allow Financial Advisors, mortgage brokers and other financial services professionals to instantly cross reference a whole range of data sources of their



choice, domestic and international, including ID verification, Sanctions, Politically Exposed Persons, Company Records and much, much more. This can be further enhanced by on-going monitoring and a comprehensive suite of screening solutions”.

W2 Global Data Solutions Ltd is an independent, UK based company built on the experience of professionals within the AML, Fraud and Risk, database and web solutions market. With investment in cutting edge Information Technology and comprehensive data sets W2 is quickly becoming recognised as a leading provider of simple web based and hosted solutions. W2 solutions can be found in some of the worlds largest commercial organisations along with governmental, regulatory and law enforcement departments.

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